

Assembly Bill No. 1806

CHAPTER 69

An act to amend Sections 7076, 12587.1, 12950, 13405, 13406, 14612.2, 16418, 68085, 68203, 68661, 77202, and 77209 of, to amend the heading of Chapter 2.3 (commencing with Section 68660) of Title 8 of, and to add Sections 11012.5, 12513.1, 13309, 19822.3, 76104.7, and 84602.1 to, the Government Code, to amend Sections 1348.9 and 53533 of the Health and Safety Code, to amend Sections 1684, 1698, 4603.2 of, to add Section 4903.6 to, and to repeal Section 4903.05 of, the Labor Code, to amend Sections 290.3 and 295 of the Penal Code, to amend Sections 42100, 42101, 42101.1, and 42104 of the Public Resources Code, to add Section 325.6 to the Unemployment Insurance Code, to amend Section 5066 of the Vehicle Code, and to add Article 18.9 (commencing with Section 749.5) to Chapter 2 of Part 1 of Division 2 of the Welfare and Institutions Code, relating to state government, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 12, 2006. Filed with
Secretary of State July 12, 2006.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1806, Committee on Budget. State government.

(1) The Enterprise Zone Act prescribes the duties and responsibilities of the Department of Housing and Community Development in connection with the establishment of enterprise zones and manufacturing enhancement areas and, until January 1, 2007, authorizes the department and local governments to charge and collect fees in connection with the act and to assess each enterprise zone a fee of not more than \$10 for each application it accepts for the issuance of a specified tax certificate issued by a local government.

This bill would delete the January 1, 2007, inoperative date of the authority to establish, charge, and collect, and the requirement to assess, a fee pursuant to these provisions, thus making the authority and requirement permanent.

(2) Existing law authorizes the Director of General Services to enter into lease purchase agreements with state agencies with respect to various state properties.

Existing law authorizes the State Public Works Board to acquire public buildings for use by state agencies, subject to specified conditions.

Existing law establishes the Service Revolving Fund under the control of the Department of General Services, to be available for expenditure for purposes related to the rental, maintenance, and operating of building space, among other things.

This bill would authorize the Director of General Services to exercise the option to accelerate the vesting of title in the state as set forth in a lease purchase agreement relating to specified state property in Sacramento. It would authorize the board to issue revenue bonds, negotiable notes, or negotiable bond anticipation notes to finance the acquisition of the property, and would authorize the department and the board to borrow funds for this purpose from the Pooled Money Investment Account. It would also continuously appropriate funds derived from the interim and permanent financing or refinancing of the property pursuant to these provisions, and require the department to adjust the Service Revolving Fund in an amount sufficient to repay any loans made by the Pooled Money Investment Account if the bonds are not sold.

(3) Existing law generally authorizes the matters that the Attorney General may prosecute or defend, and authorizes enforcement of those judgments arising out of those matters.

This bill would provide that any person who fails to pay on a timely basis any liability or penalty imposed by or on behalf of any state agency or official, the People of the State of California, the State of California, or any liability or penalty otherwise imposed in any matter prosecuted by the Attorney General, would be required to pay, in addition to that liability or penalty, interest, reasonable attorneys' fees, and costs for any collection proceedings to enforce payment.

(4) Existing law establishes the Registry of Charitable Trusts Fund, administered by the Department of Justice. Existing law also provides that the moneys in the fund shall be used, upon appropriation by the Legislature, by the Attorney General to operate and maintain the Attorney General's Registry of Charitable Trusts and to provide public access via the Internet to reports filed with the Attorney General.

This bill would additionally authorize the use of those funds to operate and maintain the Registry of Conservators, Guardians, and Trustees.

(5) Existing law requires the Department of Fair Employment and Housing to provide to employers a poster on discrimination in employment and an information sheet on sexual harassment and to obtain multiple copies of this poster and information sheet for distribution from the Office of Documents and Publications of the Department of General Services.

This bill would require the Department of Fair Employment and Housing to make copies of this poster and information sheet available online.

(6) Existing law generally sets forth the duties of the Controller in abolishing and reporting to the Joint Legislative Budget Committee on certain state positions that have been vacant for a specified period of time, and of the Controller and the Director of Finance in the reestablishment of certain abolished positions.

This bill would require the director to reconcile with the Controller, and report to the committee by October 1 of each year, the number of permanent employees by department appointed as full-time or part-time

tenure in blanket positions, as defined, for more than 6 consecutive months in the immediately preceding fiscal year.

(7) Existing law requires state agencies to prepare and submit a report on the adequacy of the agency's systems of internal accounting and administrative control by December 31 of each odd-numbered fiscal year and to identify any material inadequacy or material weakness in these systems and a plan and schedule for corrections.

This bill instead would require state agencies to conduct an internal review and prepare a report on the adequacy of the agency's systems of internal accounting and administrative control, to be submitted on a biennial basis but no later than December 31 of each odd-numbered year. It would require the agency, no later than 30 days after the report is submitted, to provide to the Director of Finance a detailed description of inadequacies and weaknesses identified in the report and a plan and schedule for correcting them. It would further require that this plan and schedule be updated every 6 months until all corrections are completed, and would make additional conforming changes.

(8) Existing law provides that no state agency is required to use the Office of State Publishing for its printing needs until the effective date of the Budget Act of 2006 or July 1, 2006, whichever is later. This provision is repealed as of January 1, 2007.

This bill would extend the application of these provisions until the effective date of the Budget Act of 2007 or July 1, 2007, whichever is later, and would extend the repeal date to January 1, 2008.

(9) Existing law continuously appropriates from the General Fund the lesser of either the unencumbered balance in the General Fund or the difference between the state's appropriation subject to limitation for the fiscal year then ended and its constitutional appropriation limit as jointly estimated by the Legislative Analyst's Office and the Department of Finance, to the Special Fund for Economic Uncertainties.

This bill would instead provide that the funds shall be continuously appropriated from the unencumbered balance in the General Fund to the Special Fund for Economic Uncertainties, and if at the end of the fiscal year it is determined that there are revenues in excess of the amount that may be appropriated to this fund pursuant to Article XIII B of the California Constitution, as determined jointly by the Department of Finance and the Legislative Analyst's Office, the appropriation from the General Fund shall be reduced by the amount of the excess revenues.

(10) Under existing law, policy, and bargaining agreements, the state reimburses employees for all necessary and actual expenses they incur when they travel on official state business. The Controller's office has established the California Automated Travel Expense Reimbursement System (CalATERS) for processing travel claims for participating state agencies.

This bill would require all state agencies to implement and use that system to automate processing of employee travel claims by July 1, 2009, unless the Controller recommends and the Department of Finance

approves an exemption request, as specified. The bill would also require the Controller and the Department of Finance to jointly report to the Joint Legislative Budget Committee not later than February 1, 2008, on the approved exemptions.

(11) Existing law requires the Legislature to make an annual appropriation to the Judicial Council for the general operations of the trial courts based upon the request of the Judicial Council. Existing law requires the annual budget request to include a base funding adjustment for operating costs based on the year-to-year change in the state appropriations limit and a separate request for certain nondiscretionary costs necessitated by law or county government that exceed the annual appropriations limit.

This bill would revise and recast these budget request elements by identifying various specific elements of General Fund appropriations to support the trial courts, including a cost-of-living and growth adjustment.

(12) Existing law sets the salaries of the Chief Justice of California, the Associate Justices of the Supreme Court, the presiding and associate justices of the Courts of Appeal, and judges of the superior court, and provides for an annual increase in the salary of each justice and judge based on salary increases for state employees as reported by the Department of Personnel Administration, as specified. Existing law also required, on January 1, 2001, the salary of each justice and judge to be increased by the amount that is produced by multiplying the salary of each justice and judge as of December 31, 2000, by 8½%. Existing law provides for various other percentage increases in the salaries of the Chair of the Judicial Council, the presiding judges of the superior courts, and the administrative presiding justices of the Courts of Appeal. Under the California Rules of Court, the Chief Justice is the Chair of the Judicial Council.

This bill would clarify that the annual salary increase for each justice and judge applies to the Chair of the Judicial Council, the presiding judges of the superior courts, and the administrative presiding justices of the Courts of Appeal. The bill also would require, on January 1, 2007, the salary of each justice and judge, including the Chair of the Judicial Council, the presiding judges of the superior courts, and the administrative presiding justices of the Courts of Appeal, to be increased by the amount that is produced by multiplying the then-current salary of each justice and judge by 8.5%.

Under the California Constitution, laws that set the salaries of elected state officers are appropriations.

The bill would make an appropriation by increasing the salaries of justices and judges.

(13) Existing law establishes in the judicial branch of state government the California Habeas Corpus Resource Center and specifies the powers and duties of the center, including the authority to employ up to 30 attorneys who may be appointed by the Supreme Court to represent any person convicted and sentenced to death in this state who is without

counsel and determined to be indigent, for the purpose of instituting and prosecuting postconviction actions, challenging the legality of the judgment or sentence, and preparing petitions for executive clemency.

This bill would increase to 34 the number of attorneys who may be employed for these purposes, and would make other technical, conforming, nonsubstantive changes to those provisions.

(14) Existing law establishes the Trial Court Trust Fund, and requires the Controller to apportion the proceeds of the fund for the purpose of funding trial court operations. Existing law creates the Trial Court Improvement Fund in the State Treasury, and requires the Judicial Council to reserve funds for court projects by transferring 1% of the amount appropriated for operation of the trial courts to the fund.

Existing law authorizes the Judicial Council to authorize the direct payment or reimbursement or both from either fund to fund administrative infrastructure within the Administrative Office of the Courts for one or more participating courts pursuant to the Budget Act, with the amount of the payment deducted from a participating court's allocation from the Trial Court Trust Fund. Increases in any reimbursements or direct payments in excess of the amount appropriated in the Budget Act require prior written approval of the Department of Finance, and in certain cases, notification of specified legislative committees.

This bill would delete these restrictions and authorize the Judicial Council to authorize the direct payment or reimbursement from either fund to fund the costs of operating one or more trial courts upon the consent of the participating courts. The bill would define the term "costs of operating one or more trial courts" for these purposes. The bill would permit moneys in the Trial Court Trust Fund to be used for, among other things, statewide administrative and information technology infrastructure supporting the courts. This bill would also require the Controller to transfer \$31,563,000 each fiscal year from the Trial Court Improvement Fund to the Trial Court Trust Fund for allocation to the trial courts for court operations, and would enact other related provisions.

(15) Under existing law, an additional penalty of \$1 is levied for each \$10 or fraction thereof, upon every fine, penalty, or forfeiture collected by the courts for criminal offenses, for the purpose of implementing the DNA Fingerprint, Unsolved Crime and Innocence Protection Act. A percentage of those funds remains with each county, and the rest is deposited into the state's DNA Identification Fund.

This bill would levy an additional \$1 for each \$10 or fraction thereof, upon every fine, penalty, or forfeiture collected by the courts for criminal offenses, and would require all of those funds to be deposited into the state's DNA Identification Fund. The bill would authorize the money to be used to implement that act and to facilitate compliance with the requirement that DNA samples shall be included in the state summary criminal history information.

(16) Existing provisions of the Political Reform Act of 1974 require specified candidates for public office and committees supporting or

opposing candidates or ballot measures to periodically file reports with the Secretary of State and certain local officials setting forth information concerning contributions they received and expenditures they made during the specified reporting period. Existing provisions of the act also require lobbyists, lobbying firms, and lobbyist employers to periodically file specified reports and statements with the Secretary of State.

Existing law, the Online Disclosure Act, requires the Secretary of State to develop a process whereby reports and statements that are required under the act to be filed with the Secretary of State are filed online or electronically and viewed by the public at no cost on an online disclosure system. Existing law establishes timeframes under which the Secretary of State is to implement this process.

This bill would require the Secretary of State to implement, no later than June 30, 2007, the Online Disclosure Act, including completing online lobbying registration forms so that the forms can be filed online. The bill would also require the secretary to report, on or before February 1, 2007, to the Legislature on 3 issues with respect to the implementation and development of the online and electronic filing and disclosure requirements and the status of the development of a means or method whereby filers subject to the act may submit required filings free of charge. The bill would require the secretary to make additional reports every 6 months after the first report is due until all filers who are required to file reports online or electronically are able to do so free of charge.

The Political Reform Act of 1974, an initiative measure, provides that the Legislature may amend the act to further the act's purposes with a $\frac{2}{3}$ vote of each house and compliance with specified procedural requirements.

This bill, which would declare that these provisions further the purposes of the act, would therefore require a $\frac{2}{3}$ vote.

(17) Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care. The act establishes the Consumer Participation Program that, until January 1, 2007, authorizes the director of the department to award reasonable fees to a person or organization for making a substantial contribution on behalf of consumers to the adoption of a regulation or an order or decision having the potential to impact a significant number of plan enrollees.

This bill would extend the duration of the Consumer Participation Program to January 1, 2012.

(18) Existing law states certain findings and declarations of the Legislature concerning the development of housing in downtown areas and in close proximity to mass transit systems. Existing law also establishes a schedule for the allocation of certain revenue that is derived from the sale of bonds pursuant to the Housing and Emergency Shelter Trust Fund Act of 2002 and deposited in the Housing Rehabilitation Loan Fund, which is continuously appropriated, to various funds, programs, and projects.

This bill would state the determination of the Legislature that a more efficient and effective use of unused student housing funds provided by the Housing and Emergency Shelter Trust Fund Act of 2002, through the Multifamily Housing Program, would be to make those funds available to transit-oriented Downtown Rebound Program rental housing projects. The bill would also revise the allocation of those funds to make them available to transit-oriented Downtown Rebound Program rental housing projects, thereby making an appropriation.

(19) Existing law requires a farm labor contractor to be licensed. A contractor must pay specific license fees to the Labor Commissioner for the issuance or renewal of his or her contractor's license. The commissioner, in turn, is required to deposit a portion of those fees into the Farmworker Remedial Account, which is a continuously appropriated special fund, to pay claims from persons damaged by unlicensed contractors or where the claim exceeds the amount of the contractor's bond.

This bill would raise the amount from each license fee received that the commissioner is required to deposit into the Farmworker Remedial Account from \$50 to \$150, thereby making an appropriation.

(20) Existing workers' compensation law requires employers to secure the payment of workers' compensation, including medical treatment, for injuries incurred by their employees that arise out of, or in the course of, employment. Existing law generally requires an employer to pay for medical treatment provided or authorized by the treating physician selected by the employee, or designated by the employer. Existing law requires an application for adjudication and a declaration of readiness to proceed to be filed with the Workers' Compensation Appeals Board with respect to a disputed claim. Existing law authorizes a medical provider to file a lien claim with the appeals board for certain expenses incurred by the provider. In the event of a contested claim, existing law requires payment of a filing fee of \$100 for each initial lien filed by or on behalf of a provider, except as specified, for reasonable expenses incurred by or on behalf of the injured employee and, to the extent that the employee is entitled to reimbursement, as specified, for medical-legal expenses. This fee is required to be deposited in the Workers' Compensation Administration Revolving Fund. Existing law also requires that the provider be reimbursed for this filing fee in the event that a contested amount is determined payable by the appeals board.

This bill would specify the time limits and procedures applicable to filing provider liens and applications for adjudication, and would eliminate the filing fee requirement. The bill would provide that these limitations do not apply to filings on behalf of the employee or employer, as specified. The bill would require the appeals board to adopt reasonable regulations to ensure compliance with these provisions, and to take any other necessary enforcement steps, including the imposition of sanctions.

(21) Existing law provides that certain fines for persons convicted of sex offenses are deposited in the General Fund for allocation by the

Controller to, among others, the Department of Justice DNA Testing Fund, and to counties that maintain local DNA testing laboratories, as specified.

This bill would, instead of allocating moneys to the Department of Justice DNA Testing Fund and the counties, as specified, allocate those moneys to the DNA Identification Fund, as specified, and would make other conforming changes.

(22) Existing law requires the Business, Transportation and Housing Agency, in collaboration with the Department of Toxic Substances Control, the State Air Resources Board, the State Water Resources Control Board, and the Financial Development Corporations, as defined, to develop a loan guarantee program for chrome plating facilities to assist those facilities to purchase high performance environmental control equipment or technologies. Existing law requires the department to establish the Model Shop Program in northern California by replicating an existing Chrome Plating Model Shop Pilot Program in southern California. Existing law requires the money in the Chrome Plating Pollution Prevention Fund to be expended by the agency, upon appropriation by the Legislature, to make specified loan guarantees, and for administrative costs, and requires the agency to make loan guarantees available only to a generator that is a small business and meets other requirements.

This bill would override that the businesses eligible for the guaranteed loans and Model Shop Program, as specified, are metal plating facilities. This bill would expand the definition of chrome plating to include chromic acid anodizing, and would revise the definition of metal plating facilities to include chrome plating facilities.

(23) Existing law authorizes the Employment Development Department to perform various functions and duties with respect to job creation and retention activities.

This bill would state the intent of the Legislature that state supported Veterans Employment Training services meet the same performance standards as those required by the federal Workforce Investment Act for services provided to veterans. This bill would also require the Employment Development Department to submit an annual report to the Legislature, as provided, following any fiscal year in which state funds support the Veterans Employment Training services program.

(24) Existing law requires the Department of Motor Vehicles to transfer specified revenue derived from California memorial license plates to the Antiterrorism Fund. Existing law requires, upon appropriation, one-half of the money in the fund to be allocated by the Controller to the Office of Criminal Justice Planning to be used for antiterrorism activities, as defined. Existing law abolishes the Office of Criminal Justice Planning, and requires the Director of Finance to designate an agency or agencies to carry out the functions of the office, as specified.

This bill, instead, would require the Controller to allocate that money, upon appropriation, to the Office of Emergency Services to be used for antiterrorism activities.

(25) The Division of Juvenile Parole Operations, which is part of the Division of Juvenile Justice in the Department of Corrections and Rehabilitation, is charged with the responsibility to monitor and supervise the reentry into society of youthful offenders under the jurisdiction of the department, and to promote the successful reintegration of youthful offenders into society.

This bill would establish the Juvenile Justice Community Reentry Challenge Grant Program to be administered by the Division of Juvenile Justice, in consultation with the Corrections Standards Authority, to award grants on a competitive basis to counties and nonprofit organizations to provide specified wrap-around services to juvenile parolees. The bill would require the division to implement, in consultation with the Corrections Standards Authority, the Chief Probation Officers of California, and experts in the field of California juvenile justice programs, minimum standards, funding schedules, and procedures for awarding the grant moneys. The bill would require grant recipients to establish and track outcomes of the program, as specified, and would further require the division to submit an interim report to the Legislature by March 1, 2009, and a final analysis of the program by March 1, 2011.

(26) Under existing law, the Department of Veterans Affairs has specified powers and duties relating to military veterans.

This bill would require the department, by February 1, 2007, to submit a report to the fiscal committees of both houses of the Legislature regarding possible strategies for increasing the number of California veterans receiving federal benefits. The bill would specify the required contents of the report, and would require the department to consult with certain persons and entities in its preparation.

(27) The Teachers' Retirement Law establishes the Defined Benefit Program in the Teachers' Retirement Plan that provides retirement and disability benefits to members of the program. That law requires, if funds are available, quarterly supplemental payments to retired members, disabled members, and beneficiaries from the Supplemental Benefit Maintenance Account to restore up to 80% of the purchasing power of the initial monthly allowances provided under the Defined Benefit Program. That law requires a continuous appropriation made annually from the General Fund for transfer to the Teachers' Retirement Fund and the Supplemental Benefit Maintenance Account in the Teachers' Retirement Fund, as specified.

This bill would make an appropriation of \$613,753 from the General Fund for transfer to the Supplemental Benefit Maintenance Account to correct errors made in calculating contributions payable by the state to that account. This bill would require the appropriation from the General Fund for transfer to the Teachers' Retirement Fund for the 2006–07 fiscal year to be reduced by \$122,104,066, to correct errors made in calculating contributions payable by the state to the Teachers' Retirement Fund.

(28) This bill would declare that it is to take effect immediately as an urgency statute.

Appropriation: yes.

The people of the State of California do enact as follows:

SECTION 1. Section 7076 of the Government Code is amended to read:

7076. (a) (1) The department shall provide technical assistance to the enterprise zones designated pursuant to this chapter with respect to all of the following activities:

(A) Furnish limited onsite assistance to the enterprise zones when appropriate.

(B) Ensure that the locality has developed a method to make residents, businesses, and neighborhood organizations aware of the opportunities to participate in the program.

(C) Help the locality develop a marketing program for the enterprise zone.

(D) Coordinate activities of other state agencies regarding the enterprise zones.

(E) Monitor the progress of the program.

(F) Help businesses to participate in the program.

(2) Notwithstanding existing law, the provision of services in subparagraphs (A) to (F), inclusive, shall be a high priority of the department.

(3) The department may, at its discretion, undertake other activities in providing management and technical assistance for successful implementation of this chapter.

(b) The applicant shall be required to begin implementation of the enterprise zone plan contained in the final application within six months after notification of final designation or the enterprise zone shall lose its designation.

(c) The department may establish, charge, and collect a fee as reimbursement for the costs of its administration of this chapter. The department shall assess each enterprise zone a fee of not more than ten dollars (\$10) for each application it accepts for issuance of a certificate pursuant to subdivision (c) of Section 17053.74 of the Revenue and Taxation Code and subdivision (c) of Section 23622.7 of the Revenue and Taxation Code. The enterprise zone administrator may collect this fee at the time he or she accepts an application for issuance of a certificate.

(d) Any fee assessed and collected pursuant to subdivision (c) shall be refundable if the certificate issued by the local government pursuant to subdivision (c) of Section 17053.74 of the Revenue and Taxation Code and subdivision (c) of Section 23622.7 of the Revenue and Taxation Code is not accepted by the Franchise Tax Board.

SEC. 2. Section 11012.5 is added to the Government Code, to read:

11012.5. (a) The Director of General Services may exercise the option to accelerate the vesting of title in the state as set forth in the lease

purchase agreement dated as of December 29, 1993, of the land and buildings located in the City and County of Sacramento, California, consisting of the entire office building located at 450 “N” Street containing approximately 616,730 gross square feet, a parking garage, including approximately 711 exclusive parking spaces, on the block bounded by “N” Street and “O” Street, 4th Street and 5th Street, and all associated improvements, for a price not to exceed eighty-one million dollars (\$81,000,000).

(b) (1) The State Public Works Board may issue revenue bonds, negotiable notes, or negotiable bond anticipation notes pursuant to the State Building Construction Act of 1955 (Part 10b (commencing with Section 15800)) to finance the acquisition of the facilities authorized by subdivision (a) by exercise of the option to accelerate.

(2) The Department of General Services and the State Public Works Board may borrow funds for the acquisition and related project costs from the Pooled Money Investment Account pursuant to Sections 16312 and 16313.

(3) The amount of revenue bonds, negotiable notes, or negotiable bond anticipation notes to be sold shall equal the cost of acquisition by exercise of the option to accelerate, any additional sums necessary to pay interim and permanent financing costs and costs of issuance of the bonds. The additional amount may include interest, a reasonable required reserve fund, and the Department of General Services’ costs and expenses incurred with the exercise of the option to accelerate.

(c) In the event the bonds authorized for the projects are not sold, the Department of General Services shall adjust the Service Revolving Fund by an amount sufficient to repay any loans made by the Pooled Money Investment Account.

(d) Notwithstanding Section 13340, funds derived from the interim and permanent financing or refinancing of the facilities specified in this section are hereby continuously appropriated without regard to fiscal years for these purposes.

SEC. 3. Section 12513.1 is added to the Government Code, to read:

12513.1. Any person who fails to pay on a timely basis any liability or penalty imposed by or on behalf of any state agency or official, the People of the State of California, the State of California, or any liability or penalty otherwise imposed in any matter prosecuted by the Attorney General, shall be required to pay, in addition to that liability or penalty, interest, reasonable attorneys’ fees, and costs for any collection proceedings to enforce payment.

SEC. 4. Section 12587.1 of the Government Code is amended to read:

12587.1. (a) The Registry of Charitable Trusts Fund is hereby established in the State Treasury, to be administered by the Department of Justice.

(b) Notwithstanding any other provision of law, all registration fees, registration renewal fees, and late fees or other fees paid to the Department of Justice pursuant to this article, Section 2850 of the Probate Code, or

Section 320.5 of the Penal Code, shall be deposited in the Registry of Charitable Trusts Fund.

(c) Moneys in the fund, upon appropriation by the Legislature, shall be used by the Attorney General solely to operate and maintain the Attorney General's Registry of Charitable Trusts and Registry of Conservators, Guardians, and Trustees, and provide public access via the Internet to reports filed with the Attorney General.

SEC. 5. Section 12950 of the Government Code is amended to read:

12950. In addition to employer responsibilities set forth in subdivisions (j) and (k) of Section 12940 and in rules adopted by the department and the commission, every employer shall act to ensure a workplace free of sexual harassment by implementing the following minimum requirements:

(a) The department shall amend its current poster on discrimination in employment to include information relating to the illegality of sexual harassment. This amended poster shall be distributed to employers when the supply of the current poster is exhausted. One copy of the amended poster shall be provided by the department to an employer upon request. The amended poster shall be available at each office of the department, and shall be mailed if the request includes a self-addressed envelope with postage affixed. Multiple copies of the amended poster shall be made available online by the Department of Fair Employment and Housing. Each employer shall post the amended poster in a prominent and accessible location in the workplace.

(b) Each employer shall obtain from the department its information sheet on sexual harassment, which the department shall make available to employers for reproduction and distribution to employees. One copy of the information sheet shall be provided by the department to an employer upon request. The information sheets shall be available at each office of the department, and shall be mailed if the request includes a self-addressed envelope with postage affixed. Multiple copies of the information sheet shall be made available online by the Department of Fair Employment and Housing. Each employer shall distribute this information sheet to its employees, unless the employer provides equivalent information to its employees that contains, at a minimum, components on the following:

- (1) The illegality of sexual harassment.
- (2) The definition of sexual harassment under applicable state and federal law.
- (3) A description of sexual harassment, utilizing examples.
- (4) The internal complaint process of the employer available to the employee.
- (5) The legal remedies and complaint process available through the department and the commission.
- (6) Directions on how to contact the department and the commission.
- (7) The protection against retaliation provided by Section 7287.8 of Title 2 of the California Code of Regulations for opposing the practices prohibited by this article or for filing a complaint with, or otherwise

participating in an investigation, proceeding, or hearing conducted by, the department or the commission.

(c) The information sheet or information required to be distributed to employees pursuant to subdivision (b) shall be delivered in a manner that ensures distribution to each employee, such as including the information sheet or information with an employee's pay.

(d) Notwithstanding subdivisions (j) and (k) of Section 12940, a claim that the information sheet or information required to be distributed pursuant to this section did not reach a particular individual or individuals shall not in and of itself result in the liability of any employer to any present or former employee or applicant in any action alleging sexual harassment. Conversely, an employer's compliance with this section does not insulate the employer from liability for sexual harassment of any current or former employee or applicant.

(e) If an employer violates the requirements of this section, the commission shall issue an order requiring the employer to comply with these requirements.

SEC. 6. Section 13309 is added to the Government Code, to read:

13309. (a) The Director of Finance shall reconcile with the Controller, and report to the Joint Legislative Budget Committee by October 1 of each year, the number of permanent employees by department appointed as full-time or part-time tenure in blanket positions for more than six consecutive months in the immediately preceding fiscal year.

(b) For purposes of this section, "blanket positions" are those positions included in the temporary help category for purposes of the state budget.

SEC. 7. Section 13405 of the Government Code is amended to read:

13405. (a) To ensure that the requirements of this chapter are fully complied with, the head of each state agency that the director determines is covered by this section shall, on a biennial basis but no later than December 31 of each odd-numbered year, conduct an internal review and prepare a report on the adequacy of the agency's systems of internal accounting and administrative control in accordance with the guide prepared by the director pursuant to subdivision (d).

(b) The report, including the state agency's response to review recommendations, shall be signed by the head of the agency and addressed to the agency secretary, or the director for agencies without a secretary. Copies of the reports shall be submitted to the Legislature, the State Auditor, the Governor, the director, and to the State Library where they shall be available for public inspection.

(c) The report shall identify any material inadequacy or material weakness in an agency's systems of internal accounting and administrative control that prevents the head of the agency from stating that the agency's systems comply with this chapter. No later than 30 days after the report is submitted, the agency shall provide to the director a plan and schedule for correcting the identified inadequacies and weaknesses, which shall be updated every six months until all corrections are completed.

(d) The director, in consultation with the State Auditor and the Controller, shall establish, and may modify from time to time as necessary, a system of reporting and a general framework to guide state agencies in conducting internal reviews of their systems of internal accounting and administrative control.

SEC. 8. Section 13406 of the Government Code is amended to read:

13406. (a) The head of the internal audit staff of a state agency or a division, as specified by the director, or, in the event there is no internal audit function, a professional accountant, if available on the staff, designated as the internal control person by the head of the state agency or a division, shall receive and investigate any allegation that an employee of the agency provided false or misleading information in connection with the review of the agency's systems of internal accounting and administrative control or in connection with the preparation of the biennial report on the systems of internal accounting and administrative control.

(b) If, in connection with any investigation under subdivision (a), the head of the internal audit staff or the designated internal control person determines that there is reasonable cause to believe that false or misleading information was provided, he or she shall report in writing that determination to the head of the agency or the division.

(c) The head of the agency or division shall review any matter referred to him or her under subdivision (b), shall take such disciplinary or corrective action as he or she deems necessary, and shall forward a copy of the report, indicating therein the action taken, to the director within 90 days of the date of the report.

SEC. 9. Section 14612.2 of the Government Code is amended to read:

14612.2. (a) Notwithstanding Chapter 7 (commencing with Section 14850) of Part 5.5 of Division 3 of Title 2 of, or Section 14901 of, the Government Code, no agency is required to use the Office of State Publishing for its printing needs and the Office of State Publishing may offer printing services to both state and other public agencies, including cities, counties, special districts, community college districts, the California State University, the University of California, and agencies of the United States government. When soliciting bids for printing services from the private sector, all state agencies shall also solicit a bid from the Office of State Publishing when the project is anticipated to cost more than five thousand dollars (\$5,000).

(b) This section shall remain operative only until the effective date of the Budget Act of 2007 or July 1, 2007, whichever is later, and as of January 1, 2008, is repealed, unless a later enacted statute that is enacted before January 1, 2008, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 10. Section 16418 of the Government Code is amended to read:

16418. (a) The Special Fund for Economic Uncertainties is hereby created in the State Treasury and is continuously appropriated for the purposes of this section. The contingency reserve for economic uncertainties established within the General Fund by Section 12.3 of the

Budget Act of 1980 is hereby discontinued, and any balance in that reserve shall be transferred to the Special Fund for Economic Uncertainties. This special fund represents a reserve fund within the meaning of Section 5 of Article XIII B of the California Constitution. Notwithstanding Sections 16310 and 16314, the Controller may transfer as necessary from the Special Fund for Economic Uncertainties or from the special accounts in the General Fund to the General Fund amounts that are needed to meet cash needs of the General Fund. The Controller shall return all of the moneys so transferred without payment of interest as soon as there are sufficient moneys in the General Fund.

(b) The Controller shall transfer from the Special Fund for Economic Uncertainties to the unappropriated balance of the General Fund an amount necessary to eliminate any General Fund deficit as of the end of each fiscal year, commencing as of June 30, 1985. The amount of transfer for each fiscal year shall be determined on the basis of the State of California Preliminary Annual Report—Accrual Basis, for that fiscal year. Any subsequent adjustments shall be determined jointly by the Controller and the Director of Finance.

(c) Notwithstanding Section 13340, moneys in the Special Fund for Economic Uncertainties are hereby continuously appropriated without regard to fiscal years to the Director of Finance for the purpose of allocating funds for disaster relief pursuant to Chapter 5 (commencing with Section 194) and Chapter 6 (commencing with Section 197) of Part 1 of Division 1 of the Revenue and Taxation Code. However, any allocation made by the director pursuant to this subdivision shall not be made sooner than 30 days after notification in writing of the necessity therefor is provided to the Joint Legislative Budget Committee.

(d) For budgeting and accounting purposes, any appropriations heretofore or hereafter made specifically from the Special Fund for Economic Uncertainties, other than appropriations contained in this section, shall be deemed an appropriation from the General Fund. For year-end reporting purposes, the Controller shall add the balance in the Special Fund for Economic Uncertainties to the balance in the General Fund so as to show the total moneys then available for General Fund purposes.

(e) (1) Notwithstanding Section 13340, there is hereby appropriated from the General Fund, without regard to fiscal years, for transfer by the Controller to the Special Fund for Economic Uncertainties as of the end of each fiscal year the unencumbered balance in the General Fund.

(2) If, at the end of any fiscal year in which it has been determined that there are revenues in excess of the amount that may be appropriated, as defined in subdivision (a) of Section 2 of Article XIII B of the California Constitution, the transfer pursuant to paragraph (1) shall be reduced by the amount of these excess revenues. The estimates of the transfer shall be made jointly by the Department of Finance and the Legislative Analyst's Office.

SEC. 11. Section 19822.3 is added to the Government Code, to read:

19822.3. All state agencies shall implement and use the California Automated Travel Expense Reimbursement System (CalATERS) to automate processing of employee travel claims by July 1, 2009, unless the Controller recommends, and the Department of Finance approves, an exemption request. To request an exemption, a department or agency shall submit documentation to the Controller no later July 1, 2007, to substantiate that the implementation of CalATERS is not feasible or cost-effective for that department or agency. The Department of Finance and the Controller shall jointly report to the Joint Legislative Budget Committee, not later than February 1, 2008, on the exemptions that have been approved and the bases for the exemptions.

SEC. 12. Section 68085 of the Government Code is amended to read:

68085. (a) (1) There is hereby established the Trial Court Trust Fund, the proceeds of which shall be apportioned for the purposes authorized in this section, including apportionment to the trial courts to fund trial court operations, as defined in Section 77003.

(2) The apportionment payments shall be made by the Controller. The final payment from the Trial Court Trust Fund for each fiscal year shall be made on or before August 31 of the subsequent fiscal year.

(A) Notwithstanding any other provision of law, in order to promote statewide efficiency, the Judicial Council may authorize the direct payment or reimbursement or both of actual costs from the Trial Court Trust Fund or the Trial Court Improvement Fund to fund the costs of operating one or more trial courts upon the consent of participating courts. These paid or reimbursed costs may be for services provided to the court or courts by the Administrative Office of the Courts or payment for services or property of any kind contracted for by the court or courts or on behalf of the courts by the Administrative Office of the Courts. The amount of appropriations from the Trial Court Improvement Fund under this subdivision may not exceed 20 percent of the amount deposited in the Trial Court Improvement Fund pursuant to subdivision (a) of Section 77205. The direct payment or reimbursement of costs from the Trial Court Trust Fund may be supported by the reduction of a participating court's allocation from the Trial Court Trust Fund to the extent that the court's expenditures for the program are reduced and the court is supported by the expenditure. The Judicial Council shall provide the affected trial courts with quarterly reports on expenditures from the Trial Court Trust Fund incurred as authorized by this subdivision. The Judicial Council shall establish procedures to provide for the administration of this paragraph in a way that promotes the effective, efficient, reliable, and accountable operation of the trial courts.

(B) As used in subparagraph (A), the term "costs of operating one or more trial courts" includes any expenses related to operation of the court or performance of its functions, including, but not limited to, statewide administrative and information technology infrastructure supporting the courts. The term "costs of operating one or more trial courts" is not restricted to items considered "court operations" pursuant to Section

77003, but is subject to policies, procedures, and criteria established by the Judicial Council, and may not include an item that is a cost that must otherwise be paid by the county or city and county in which the court is located.

(b) Notwithstanding any other provision of law, the fees listed in subdivision (c) shall all be deposited upon collection in a special account in the county treasury, and transmitted monthly to the Controller for deposit in the Trial Court Trust Fund.

(c) (1) Except as specified in subdivision (d), this section applies to all fees collected on or before December 31, 2005, pursuant to Sections 631.3, 116.230, and 403.060 of the Code of Civil Procedure and Sections 26820.4, 26823, 26826, 26826.01, 26827, 26827.4, 26830, 26832.1, 26833.1, 26835.1, 26836.1, 26837.1, 26838, 26850.1, 26851.1, 26852.1, 26853.1, 26855.4, 26862, 68086, 72055, 72056, 72056.01, and 72060.

(2) Notwithstanding any other provision of law, except as specified in subdivision (d) of this section and subdivision (a) of Section 68085.7, this section applies to all fees and fines collected on or before December 31, 2005, pursuant to Sections 116.390, 116.570, 116.760, 116.860, 177.5, 491.150, 704.750, 708.160, 724.100, 1134, 1161.2, and 1218 of the Code of Civil Procedure, Sections 26824, 26828, 26829, 26834, and 72059 of the Government Code, and subdivisions (b) and (c) of Section 166 and Section 1214.1 of the Penal Code.

(3) If any of the fees provided for in this subdivision are partially waived by court order, and the fee is to be divided between the Trial Court Trust Fund and any other fund, the amount of the partial waiver shall be deducted from the amount to be distributed to each fund in the same proportion as the amount of each distribution bears to the total amount of the fee.

(d) This section does not apply to that portion of a filing fee collected pursuant to Section 26820.4, 26826, 26827, 72055, or 72056 that is allocated for dispute resolution pursuant to Section 470.3 of the Business and Professions Code, the county law library pursuant to Section 6320 of the Business and Professions Code, the Judges' Retirement Fund pursuant to Section 26822.3, automated recordkeeping or conversion to micrographics pursuant to Sections 26863 and 68090.7, and courthouse financing pursuant to Section 76238. This section also does not apply to fees collected pursuant to subdivisions (a) and (c) of Section 27361.

(e) This section applies to all payments required to be made to the State Treasury by any county or city and county pursuant to Section 77201, 77201.1, or 77205.

(f) Notwithstanding any other provision of law, no agency may take action to change the amounts allocated to any of the funds described in subdivision (a), (b), (c), or (d).

(g) The Judicial Council shall reimburse the Controller for the actual administrative costs that will be incurred under this section. Costs reimbursed under this section shall be determined on an annual basis in consultation with the Judicial Council.

(h) Any amounts required to be transmitted by a county or city and county to the state pursuant to this section shall be remitted to the Controller no later than 45 days after the end of the month in which the fees were collected. This remittance shall be accompanied by a remittance advice identifying the collection month and the appropriate account in the Trial Court Trust Fund to which it is to be deposited. Any remittance that is not made by the county or city and county in accordance with this section shall be considered delinquent, and subject to the penalties specified in this section.

(i) Upon receipt of any delinquent payment required pursuant to this section, the Controller shall calculate a penalty on any delinquent payment by multiplying the amount of the delinquent payment at a daily rate equivalent to $1\frac{1}{2}$ percent per month for the number of days the payment is delinquent. Notwithstanding Section 77009, any penalty on a delinquent payment that a court is required to reimburse to a county's general fund pursuant to this section and Section 24353 shall be paid from the Trial Court Operations Fund for that court.

(j) Penalty amounts calculated pursuant to subdivision (i) shall be paid by the county to the Trial Court Trust Fund no later than 45 days after the end of the month in which the penalty was calculated.

(k) The Trial Court Trust Fund shall be invested in the Surplus Money Investment Fund and all interest earned shall be allocated to the Trial Court Trust Fund quarterly and shall be allocated among the courts in accordance with the requirements of subdivision (a). The specific allocations shall be specified by the Judicial Council.

(l) It is the intent of the Legislature that the revenues required to be deposited into the Trial Court Trust Fund be remitted as soon after collection by the courts as possible.

(m) Except for subdivisions (a) and (k), this section does not apply to fees and fines that are listed in subdivision (a) of Section 68085.1 that are collected on or after January 1, 2006.

SEC. 13. Section 68203 of the Government Code is amended to read:

68203. (a) On July 1, 1980, and on July 1 of each year thereafter, the salary of each justice and judge named in Sections 68200 to 68202, inclusive, and 68203.1 shall be increased by the amount that is produced by multiplying the then current salary of each justice or judge by the average percentage salary increase for the current fiscal year for California State employees; provided, that in any fiscal year in which the Legislature places a dollar limitation on salary increases for state employees the same limitation shall apply to judges in the same manner applicable to state employees in comparable wage categories.

(b) For the purposes of this section, salary increases for state employees shall be those increases as reported by the Department of Personnel Administration.

(c) The salary increase for judges and justices made on July 1, 1980, for the 1980–81 fiscal year, shall in no case exceed 5 percent.

(d) On January 1, 2001, the salary of the justices and judges named in Sections 68200 to 68202, inclusive, shall be increased by the amount that is produced by multiplying the salary of each justice and judge as of December 31, 2000, by 8½ percent.

(e) On January 1, 2007, the salary of the justices and judges identified in Sections 68200 to 68202, inclusive, and 68203.1 shall also be increased by the amount that is produced by multiplying the salary of each justice and judge as of December 31, 2006, by 8.5 percent.

SEC. 14. The heading of Chapter 2.3 (commencing with Section 68660) of Title 8 of the Government Code is amended to read:

CHAPTER 2.3. CALIFORNIA HABEAS CORPUS RESOURCE CENTER

SEC. 15. Section 68661 of the Government Code is amended to read:

68661. There is hereby created in the judicial branch of state government the California Habeas Corpus Resource Center, which shall have all of the following general powers and duties:

(a) To employ up to 34 attorneys who may be appointed by the Supreme Court to represent any person convicted and sentenced to death in this state who is without counsel, and who is determined by a court of competent jurisdiction to be indigent, for the purpose of instituting and prosecuting postconviction actions in the state and federal courts, challenging the legality of the judgment or sentence imposed against that person, and preparing petitions for executive clemency. Any such appointment may be concurrent with the appointment of the State Public Defender or other counsel for purposes of direct appeal under Section 11 of Article VI of the California Constitution.

(b) To seek reimbursement for representation and expenses pursuant to Section 3006A of Title 18 of the United States Code when providing representation to indigent persons in the federal courts and process those payments via the Federal Trust Fund.

(c) To work with the Supreme Court in recruiting members of the private bar to accept death penalty habeas case appointments.

(d) To establish and periodically update a roster of attorneys qualified as counsel in postconviction proceedings in capital cases.

(e) To establish and periodically update a roster of experienced investigators and experts who are qualified to assist counsel in postconviction proceedings in capital cases.

(f) To employ investigators and experts as staff to provide services to appointed counsel upon request of counsel, provided that when the provision of those services is to private counsel under appointment by the Supreme Court, those services shall be pursuant to contract between appointed counsel and the center.

(g) To provide legal or other advice or, to the extent not otherwise available, any other assistance to appointed counsel in postconviction proceedings as is appropriate when not prohibited by law.

(h) To develop a brief bank of pleadings and related materials on significant, recurring issues that arise in postconviction proceedings in capital cases and to make those briefs available to appointed counsel.

(i) To evaluate cases and recommend assignment by the court of appropriate attorneys.

(j) To provide assistance and case progress monitoring as needed.

(k) To timely review case billings and recommend compensation of members of the private bar to the court.

(l) The center shall report annually to the Legislature, the Governor, and the Supreme Court on the status of the appointment of counsel for indigent persons in postconviction capital cases, and on the operations of the center. On or before January 1, 2000, the office of the Legislative Analyst shall evaluate the available reports.

SEC. 16. Section 77202 of the Government Code is amended to read:

77202. (a) The Legislature shall make an annual appropriation to the Judicial Council for the general operations of the trial courts based on the request of the Judicial Council. The Judicial Council's trial court budget request, which shall be submitted to the Governor and the Legislature, shall meet the needs of all trial courts in a manner that ensures a predictable fiscal environment for labor negotiations in accordance with the Trial Court Employment Protection and Governance Act, that promotes equal access to the courts statewide, and that promotes court financial accountability. The annual budget request shall include the following components:

(1) Commencing with the 2006–07 fiscal year, annual General Fund appropriations to support the trial courts shall be comprised of both of the following:

(A) The current fiscal year General Fund appropriations, which include all of the following:

(i) General Fund moneys appropriated for transfer or direct local assistance in support of the trial courts.

(ii) Transfers to the Judicial Administration Efficiency and Modernization Fund.

(iii) Local assistance grants made by the Judicial Council, including the Equal Access Fund.

(iv) The full year cost of budget change proposals approved through the 2006–07 fiscal year or subsequently approved in accordance with paragraph (2), but excluding lease-revenue payments and funding for costs specifically and expressly reimbursed through other state or federal funding sources, excluding the cost of one-time or expiring programs.

(B) A cost-of-living and growth adjustment computed by multiplying the year-to-year percentage change in the state appropriation limit as described in Section 3 of Article XIII B of the California Constitution by the sum of all of the following:

(i) The current year General Fund appropriations for the trial courts, as defined in subparagraph (A).

(ii) The amount of county obligations established pursuant to subdivision (b) of Section 77201.1 in effect as of June 30, 2005, six hundred ninety-eight million sixty-eight thousand dollars (\$698,068,000).

(iii) The level of funding required to be transferred from the Trial Court Improvement Fund to the Trial Court Trust Fund pursuant to subdivision (k) of Section 77209, thirty-one million five hundred sixty-three thousand dollars (\$31,563,000).

(iv) Funding deposited into the Court Facilities Trust Fund associated with each facility that was transferred to the state not less than two fiscal years earlier than the fiscal year for which the cost-of-living and growth adjustment is being calculated.

(v) The court filing fees and surcharges projected to be deposited into the Trial Court Trust Fund in the 2005–06 fiscal year, adjusted to reflect the full-year implementation of the uniform civil fee structure implemented on January 1, 2006, three hundred sixty-nine million six hundred seventy-two thousand dollars (\$369,672,000).

(2) In addition to the moneys to be applied pursuant to subdivision (b), the Judicial Council may identify and request additional funding for the trial courts for costs resulting from the implementation of statutory changes that result in either an increased level of service or a new activity that directly affects the programmatic or operational needs of the courts.

(b) The Judicial Council shall allocate the funding from the Trial Court Trust Fund to the trial courts in a manner that best ensures the ability of the courts to carry out their functions, promotes implementation of statewide policies, and promotes the immediate implementation of efficiencies and cost-saving measures in court operations, in order to guarantee access to justice to citizens of the state.

The Judicial Council shall ensure that allocations to the trial courts recognize each trial court's implementation of efficiencies and cost-saving measures.

These efficiencies and cost-saving measures shall include, but not be limited to, the following:

(1) The sharing or merger of court support staff among trial courts across counties.

(2) The assignment of any type of case to a judge for all purposes commencing with the filing of the case and regardless of jurisdictional boundaries.

(3) The establishment of a separate calendar or division to hear a particular type of case.

(4) In rural counties, the use of all court facilities for hearings and trials of all types of cases and the acceptance of filing documents in any case.

(5) The use of alternative dispute resolution programs, such as arbitration.

(6) The development and use of automated accounting and case-processing systems.

(c) (1) The Judicial Council shall adopt policies and procedures governing practices and procedures for budgeting in the trial courts in a

manner that best ensures the ability of the courts to carry out their functions and may delegate the adoption to the Administrative Director of the Courts. The Administrative Director of the Courts shall establish budget procedures and an annual schedule of budget development and management consistent with these rules.

(2) The Trial Court Policies and Procedures shall specify the process for a court to transfer existing funds between or among the budgeted program components to reflect changes in the court's planned operation or to correct technical errors. If the process requires a trial court to request approval of a specific transfer of existing funds, the Administrative Office of the Courts shall review the request to transfer funds and respond within 30 days of receipt of the request. The Administrative Office of the Courts shall respond to the request for approval or denial to the affected court, in writing, with copies provided to the Department of Finance, the Legislative Analyst Office, the Legislature's budget committees, and the court's affected labor organizations.

(3) The Judicial Council shall circulate for comment to all affected entities any amendments proposed to the Trial Court Policies and Procedures as they relate to budget monitoring and reporting. Final changes shall be adopted at a meeting of the Judicial Council.

SEC. 17. Section 77209 of the Government Code is amended to read:

77209. (a) There is in the State Treasury the Trial Court Improvement Fund.

(b) The Judicial Council shall reserve funds for projects by transferring 1 percent of the amount appropriated for support for operation of the trial courts to the Trial Court Improvement Fund. At least one-half of this amount shall be set aside as a reserve that shall not be allocated prior to March 15 of each year unless allocated to a court or courts for urgent needs.

(c) Any funds in the Trial Court Improvement Fund that are unencumbered at the end of the fiscal year shall be reappropriated to the Trial Court Improvement Fund for the following fiscal year.

(d) Moneys deposited in the Trial Court Improvement Fund shall be placed in an interest bearing account. Any interest earned shall accrue to the fund and shall be disbursed pursuant to subdivision (e).

(e) Moneys deposited in the Trial Court Improvement Fund may be disbursed for purposes of this section.

(f) Moneys deposited in the Trial Court Improvement Fund pursuant to Section 68090.8 shall be allocated by the Judicial Council for automated administrative system improvements pursuant to that section and in furtherance of Rule 991 of the California Rules of Court, as it read on July 1, 1996. As used in this subdivision, "automated administrative system" does not include electronic reporting systems for use in a courtroom.

(g) Moneys deposited in the Trial Court Improvement Fund shall be administered by the Judicial Council. The Judicial Council may, with appropriate guidelines, delegate to the Administrative Director of the Courts the administration of the fund. Moneys in the fund may be

expended to implement trial court projects approved by the Judicial Council. Expenditures may be made to vendors or individual trial courts that have the responsibility to implement approved projects.

(h) Notwithstanding other provisions of this section, the 2 percent automation fund moneys deposited in the Trial Court Improvement Fund pursuant to Section 68090.8 shall be allocated by the Judicial Council to statewide initiatives related to trial court automation and their implementation. The Judicial Council shall allocate the remainder of the moneys deposited in the Trial Court Improvement Fund as specified in this section.

For the purposes of this subdivision, the term “2 percent automation fund” means the fund established pursuant to Section 68090.8 as it read on June 30, 1996. As used in this subdivision, “statewide initiatives related to trial court automation and their implementation” does not include electronic reporting systems for use in a courtroom.

(i) Royalties received from the publication of uniform jury instructions shall be deposited in the Trial Court Improvement Fund and used for the improvement of the jury system.

(j) The Judicial Council shall present an annual report to the Legislature on the use of the Trial Court Improvement Fund. The report shall include appropriate recommendations.

(k) Each fiscal year, the Controller shall transfer thirty-one million five hundred sixty-three thousand dollars (\$31,563,000) from the Trial Court Improvement Fund to the Trial Court Trust Fund for allocation to trial courts for court operations.

SEC. 18. Section 76104.7 is added to the Government Code, to read:

76104.7. In addition to the penalty levied pursuant to Section 76104.6, there shall be levied an additional state-only penalty of one dollar (\$1) for every ten dollars (\$10) or fraction thereof in each county, which shall be collected together with and in the same manner as the amounts established by Section 1464 of the Penal Code, upon every fine, penalty, or forfeiture imposed and collected by the courts for criminal offenses, including all offenses involving a violation of the Vehicle Code or any local ordinance adopted pursuant to the Vehicle Code, except parking offenses subject to Article 3 (commencing with Section 40200) of Chapter 1 of Division 17 of the Vehicle Code. These moneys shall be taken from fines and forfeitures deposited with the county treasurer prior to any division pursuant to Section 1463 of the Penal Code. These funds shall be deposited into the county treasury DNA Identification Fund. One hundred percent of these funds, including any interest earned thereon, shall be transferred to the state Controller at the same time that moneys are transferred pursuant to paragraph (2) of subdivision (b) of Section 76104.6, for deposit into the state’s DNA Identification Fund. These funds may be used to fund the operation of the DNA Fingerprint, Unsolved Crime and Innocence Protection Act, and to facilitate compliance with the requirements of subdivision (e) of Section 299.5 of the Penal Code.

SEC. 19. Section 84602.1 is added to the Government Code, to read:

84602.1. (a) The Secretary of State shall, on or before June 30, 2007, fully implement this chapter as specified in Section 84602, including completing online lobbying registration forms so that all forms can be filed online as specified in Section 84602.

(b) On or before February 1, 2007, the Secretary of State shall report to the Legislature on all of the following:

(1) The implementation and development of the online and electronic filing and disclosure requirements of this chapter, with specific emphasis on the status of the development of a means or method described in paragraph (1) of subdivision (a) of Section 84602.

(2) Whether and to what extent any means or method has been deployed that allows filers to submit required filings free of charge, with an emphasis on the types of filers who are not yet able to complete all required online or electronic filings free of charge, what aspects of the filings are missing that prevent those filers from being able to complete all required online or electronic filings free of charge, the costs to those filers, and, if applicable, why a means or method has not yet been deployed and when one is likely to be deployed.

(3) What resources are necessary to complete efforts to allow filers to submit required filings free of charge, when completion is expected, and an explanation of why the original full allocation of requested funding did not provide the statutorily required free filing system.

(c) Additional reports to the Legislature pursuant to subdivision (b) shall be due on July 1, and December 1, of each year, until a means or method has been deployed that allows all filers who are required to file reports online or electronically to file those reports free of charge.

SEC. 20. Section 1348.9 of the Health and Safety Code is amended to read:

1348.9. (a) On or before July 1, 2003, the director shall adopt regulations to establish the Consumer Participation Program, which shall allow for the director to award reasonable advocacy and witness fees to any person or organization that demonstrates that the person or organization represents the interests of consumers and has made a substantial contribution on behalf of consumers to the adoption of any regulation or to an order or decision made by the director if the order or decision has the potential to impact a significant number of enrollees.

(b) The regulations adopted by the director shall include specifications for eligibility of participation, rates of compensation, and procedures for seeking compensation. The regulations shall require that the person or organization demonstrate a record of advocacy on behalf of health care consumers in administrative or legislative proceedings in order to determine whether the person or organization represents the interests of consumers.

(c) This section shall apply to all proceedings of the department, but shall not apply to resolution of individual grievances, complaints, or cases.

(d) Fees awarded pursuant to this section may not exceed three hundred fifty thousand dollars (\$350,000) each fiscal year.

(e) The fees awarded pursuant to this section shall be considered costs and expenses pursuant to Section 1356 and shall be paid from the assessment made under that section. Notwithstanding the provisions of this subdivision, the amount of the assessment shall not be increased to pay the fees awarded under this section.

(f) The department shall report to the appropriate policy and fiscal committees of the Legislature before March 1, 2004, and annually thereafter, the following information:

(1) The amount of reasonable advocacy and witness fees awarded each fiscal year.

(2) The individuals or organization to whom advocacy and witness fees were awarded pursuant to this section.

(3) The orders, decisions, and regulations pursuant to which the advocacy and witness fees were awarded.

(g) This section shall remain in effect only until January 1, 2012, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2012, deletes or extends that date.

SEC. 21. Section 53533 of the Health and Safety Code is amended to read:

53533. (a) Money deposited in the fund from the sale of bonds pursuant to this part shall be allocated for expenditure in accordance with the following schedule:

(1) Nine hundred ten million dollars (\$910,000,000) shall be transferred to the Housing Rehabilitation Loan Fund to be expended for the Multifamily Housing Program authorized by Chapter 6.7 (commencing with Section 50675) of Part 2, except for the following:

(A) Fifty million dollars (\$50,000,000) shall be transferred to the Preservation Opportunity Fund and, notwithstanding Section 13340 of the Government Code, is continuously appropriated without regard to fiscal years for the preservation of at-risk housing pursuant to Chapter 5 (commencing with Section 50600) of Part 2.

(B) Twenty million dollars (\$20,000,000) shall be used for nonresidential space for supportive services, including, but not limited to, job training, health services, and child care within, or immediately proximate to, projects to be funded under the Multifamily Housing Program. This funding shall be in addition to any applicable per-unit or project loan limits and may be in the form of a grant. Service providers shall ensure that services are available to project residents on a priority basis over the general public.

(C) Twenty-five million dollars (\$25,000,000) shall be used for matching grants to local housing trust funds pursuant to Section 50843.

(D) Fifteen million dollars (\$15,000,000) shall be used for student housing through the Multifamily Housing Program, subject to the following provisions:

(i) The department shall give first priority for projects on land owned by a University of California or California State University campus. Second priority shall be given to projects located within one mile of a

University of California or California State University campus that is suffering from a severe shortage of housing and limited availability of developable land as determined by the department. Those determinations shall be set forth in the Notice of Funding Availability and shall not be subject to the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Title 2 of the Government Code.

(ii) All funds shall be matched on a one-to-one basis from private sources or by the University of California or California State University. For the purposes of this subparagraph, “University of California” includes the Hastings College of the Law.

(iii) Occupancy for the units shall be restricted to students enrolled on a full-time basis in the University of California or California State University.

(iv) Income eligibility pursuant to the Multifamily Housing Program shall be established by verification of the combined income of the student and his or her family.

(v) Any funds not used for this purpose within 24 months of the date that the funds are made available shall be awarded pursuant to subdivision (a) for the Downtown Rebound Program as set forth in paragraph (3) of subdivision (a) of Section 50898.1.

(E) Any funds not encumbered for the purposes set forth in this paragraph, except subparagraph (D), within 30 months of availability shall revert to the Housing Rehabilitation Loan Fund created by Section 50661 for general use in the Multifamily Housing Program.

(2) One hundred ninety-five million dollars (\$195,000,000) shall be transferred to the Emergency Housing and Assistance Fund to be expended for the Emergency Housing and Assistance Program authorized by Chapter 11.5 (commencing with Section 50800 of Part 2).

(3) One hundred ninety-five million dollars (\$195,000,000) shall be transferred to the Housing Rehabilitation Loan Fund to be expended for supportive housing projects under the Multifamily Housing Program authorized by Chapter 6.7 (commencing with Section 50675) of Part 2, to serve individuals and households moving from emergency shelters or transitional housing or those at risk of homelessness.

(4) Two hundred million dollars (\$200,000,000) shall be transferred to the Joe Serna, Jr. Farmworker Housing Grant Fund to be expended for farmworker housing programs authorized by Chapter 3.2 (commencing with Section 50517.5) of Part 2, except for the following:

(A) Twenty-five million dollars (\$25,000,000) shall be used for projects that serve migratory agricultural workers as defined in subdivision (i) of Section 7602 of Title 25 of the California Code of Regulations. If, after July 1, 2003, funds remain after the approval of all feasible applications, the department shall be deemed an eligible recipient for the purposes of reconstructing migrant centers operated through the Office of Migrant Services pursuant to Chapter 8.5 (commencing with Section 50710) that would otherwise be scheduled for closure due to health or safety considerations or are in need of significant repairs to ensure the health and

safety of the residents. Of the dollars allocated by this subparagraph, the department shall receive fifteen million dollars (\$15,000,000) for these purposes subject to the following conditions and requirements:

(i) The amount available to the department as a recipient shall be limited to ten million seven hundred thousand dollars (\$10,700,000) prior to September 1, 2006. The department may receive up to four million three hundred thousand dollars (\$4,300,000) in additional funds after that date and prior to July 1, 2007, to the extent that unencumbered funds are available.

(ii) The department shall make at least eight million one hundred fifty-nine thousand dollars (\$8,159,000) available for flexible loans and grants for projects that serve migratory agricultural workers pursuant to subdivision (a) of Section 50517.10. These funds shall be available for encumbrance until September 1, 2006.

(iii) Any funds allocated by this subparagraph remaining unencumbered on July 1, 2007, shall revert for general use in the Joe Serna, Jr. Farmworker Housing Grant Program.

(B) Twenty million dollars (\$20,000,000) shall be used for developments that also provide health services to the residents. Recipients of these funds shall be required to provide ongoing monitoring of funded developments to ensure compliance with the requirements of the Joe Serna, Jr. Farmworker Housing Grant Program. Projects receiving funds through this allocation shall be ineligible for funding through the Joe Serna, Jr. Farmworker Housing Grant Program.

(C) Except as provided in subparagraph (A) funds not encumbered for the purposes set forth in this paragraph within 30 months of availability shall revert for general use in the Joe Serna, Jr. Farmworker Housing Grant Program.

(5) Two hundred five million dollars (\$205,000,000) shall be transferred to the Self-Help Housing Fund. Notwithstanding Section 13340 of the Government Code and Section 50697.1, these funds are hereby continuously appropriated without regard to fiscal years to the department to be expended for the purposes of the CalHome Program authorized by Chapter 6 (commencing with Section 50650) of Part 2, except for the following:

(A) Seventy-five million dollars (\$75,000,000) shall be transferred to the Building Equity and Growth in Neighborhoods Fund to be used for the Building Equity and Growth in Neighborhoods (BEGIN) Program pursuant to Chapter 4.5 (commencing with Section 50860) of Part 1.

(B) Five million dollars (\$5,000,000) shall be used to provide grants to cities, counties, cities and counties, and nonprofit organizations to provide grants for lower income tenants with disabilities for the purpose of making exterior modifications to rental housing in order to make that housing accessible to persons with disabilities. For the purposes of this subparagraph, "exterior modifications" includes modifications that are made to entryways or to common areas of the structure or property. The program provided for under this subparagraph shall not be subject to the

requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Title 2 of the Government Code.

(C) Ten million dollars (\$10,000,000) shall be expended for construction management under the California Self-Help Housing Program pursuant to subdivision (b) of Section 50696.

(D) Any funds not encumbered for the purposes set forth in this paragraph within 30 months of availability shall revert for general use in the CalHome Program.

(6) Five million dollars (\$5,000,000) shall be transferred to the Housing Rehabilitation Loan Fund to be expended for capital expenditures in support of local code enforcement and compliance programs. This allocation shall not be subject to the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Title 2 of the Government Code. If the moneys allocated pursuant to this paragraph are not expended within three years after being transferred, the department may, in its discretion, transfer the moneys to the Housing Rehabilitation Loan Fund to be expended for the Multifamily Housing Program.

(7) Two hundred ninety million dollars (\$290,000,000) shall be transferred to the Self-Help Housing Fund. Notwithstanding Section 50697.1, these funds are hereby continuously appropriated to the agency to be expended for the purposes of the California Homebuyer's Downpayment Assistance Program authorized by Chapter 11 (commencing with Section 51500) of Part 3, except for the following:

(A) Fifty million dollars (\$50,000,000) shall be transferred to the School Facilities Fee Assistance Fund as provided by subdivision (a) of Section 51453 to be used for the Homebuyer Down Payment Assistance Program of 2002 established by Section 51451.5.

(B) Eighty-five million dollars (\$85,000,000) shall be transferred to the California Housing Loan Insurance Fund to be used for purposes of Part 4 (commencing with Section 51600). The agency may transfer these moneys as often as quarterly in amounts that shall not exceed the dollar amount of new insurance written by the agency during the preceding quarter for loans for the purchase of homes made to owner-occupant borrowers with incomes not exceeding 120 percent of the area median income, divided by the risk-to-capital ratio required for the maintenance of satisfactory credit ratings from nationally recognized credit rating services.

(C) (i) Twelve million five hundred thousand dollars (\$12,500,000) shall be reserved for downpayment assistance to low-income first-time home buyers who, as documented to the agency by a nonprofit organization certified and funded to provide home ownership counseling by a federally funded national nonprofit corporation, are purchasing a residence in a community revitalization area targeted by the nonprofit organization and who has received home ownership counseling from the nonprofit organization. Community revitalization areas shall be limited to targeted neighborhoods identified by qualified nonprofit organizations as those neighborhoods in need of economic stimulation, renovation, and

rehabilitation through efforts that include increased home ownership opportunities for low-income families.

(ii) Effective January 1, 2004, 50 percent of the funds available pursuant to clause (i) shall be available for downpayment assistance in an amount not to exceed 6 percent of the home sales price.

(iii) After 12 months of availability, if more than 50 percent of the funds set aside pursuant to clause (ii) have been encumbered, the agency shall discontinue that program and make all remaining funds available for downpayment assistance pursuant to clause (i). If, however, less than 50 percent of the funds allocated pursuant to clause (ii) are encumbered after that 12-month period, the agency may, at its sole discretion, either make all remaining funds provided pursuant to clause (i) available for the purpose of clause (ii), or may continue to implement clause (ii) until all of the funds allocated for that purpose as of January 1, 2004, have been encumbered.

(D) Twenty-five million dollars (\$25,000,000) shall be used for downpayment assistance pursuant to Section 51505. After 18 months of availability, if the agency determines that the funds set aside pursuant to this section will not be utilized for purposes of Section 51505, these funds shall be available for the general use of the agency for the purposes of the California Homebuyer's Downpayment Assistance Program, but may also continue to be available for the purposes of Section 51505.

(E) Funds not utilized for the purposes set forth in subparagraphs (B) and (C) within 30 months shall revert for general use in the California Homebuyer's Downpayment Assistance Program.

(8) One hundred million dollars (\$100,000,000) shall be transferred to the Jobs Housing Improvement Account to be expended as capital grants to local governments for increasing housing pursuant to enabling legislation. If the enabling legislation fails to become law in the 2001–02 Regular Session of the Legislature, the specified allocation for this program shall be void and the funds shall revert for general use in the Multifamily Housing Program as specified in paragraph (1) of subdivision (a).

(b) No portion of the money allocated pursuant to this section may be expended for project operating costs, except that this section does not preclude expenditures for operating costs from reserves required to be maintained by or on behalf of the project sponsor.

(c) The Legislature may, from time to time, amend the provisions of law related to programs to which funds are, or have been, allocated pursuant to this section for the purpose of improving the efficiency and effectiveness of the program, or for the purpose of furthering the goals of the program.

(d) The Bureau of State Audits shall conduct periodic audits to ensure that bond proceeds are awarded in a timely fashion and in a manner consistent with the requirements of this part, and that awardees of bond proceeds are using funds in compliance with applicable provisions of this part.

SEC. 22. Section 1684 of the Labor Code is amended to read:

1684. (a) The Labor Commissioner shall not issue to any person a license to act as a farm labor contractor, nor shall the Labor Commissioner renew that license, until all of the following conditions are satisfied:

(1) The person has executed a written application in a form prescribed by the Labor Commissioner, subscribed and sworn to by the person, and containing all of the following:

(A) A statement by the person of all facts required by the Labor Commissioner concerning the applicant's character, competency, responsibility, and the manner and method by which the person proposes to conduct operations as a farm labor contractor if the license is issued.

(B) The names and addresses of all persons, except bona fide employees on stated salaries, financially interested, either as partners, associates, or profit sharers, in the proposed operation as a farm labor contractor, together with the amount of their respective interests.

(C) A declaration consenting to the designation by a court of the Labor Commissioner as an agent available to accept service of summons in any action against the licensee if the licensee has left the jurisdiction in which the action is commenced or otherwise has become unavailable to accept service.

(2) The Labor Commissioner, after investigation, is satisfied as to the character, competency, and responsibility of the person.

(3) The person has deposited with the Labor Commissioner a surety bond in an amount based on the size of the person's annual payroll for all employees, as follows:

(A) For payrolls up to five hundred thousand dollars (\$500,000), a twenty-five thousand dollar (\$25,000) bond.

(B) For payrolls of five hundred thousand dollars (\$500,000) to two million dollars (\$2,000,000), a fifty thousand dollar (\$50,000) bond.

(C) For payrolls greater than two million dollars (\$2,000,000), a seventy-five thousand dollar (\$75,000) bond.

Where the contractor has been the subject of a final judgment in a year in an amount equal to that of the bond required, he or she shall be required to deposit an additional bond within 60 days. The bond shall be payable to the people of the State of California and shall be conditioned that the farm labor contractor will comply with all the terms and provisions of this chapter and will pay all damages occasioned to any person by failure to do so, or by any violation of this chapter, or false statements or misrepresentations made in the procurement of the license. The bond shall also be payable for interest on wages and for any damages arising from violation of orders of the Industrial Welfare Commission, and for any other monetary relief awarded to an agricultural worker as a result of a violation of this code.

(4) The person has paid to the Labor Commissioner a license fee of five hundred dollars (\$500) plus a filing fee of ten dollars (\$10). However, where a timely application for renewal is filed, the ten dollar (\$10) filing fee is not required. The Labor Commissioner shall deposit one hundred

fifty dollars (\$150) of each licensee's annual license fee into the Farmworker Remedial Account. Funds from this account shall be disbursed by the Labor Commissioner only to persons determined by the Labor Commissioner to have been damaged by any licensee when the damage exceeds the limits of the licensee's bond, or to persons determined by the Labor Commissioner to have been damaged by an unlicensed farm labor contractor. In making these determinations, the Labor Commissioner shall disburse funds from the Farmworker Remedial Account to satisfy claims against farm labor contractors or unlicensed farm labor contractors, which shall also include interest on wages and any damages arising from the violation of orders of the Industrial Welfare Commission, and for any other monetary relief awarded to an agricultural worker as a result of a violation of this code. The Labor Commissioner may disburse funds from the Farmworker Remedial Account to farm labor contractors, for payment of farmworkers, where a contractor is unable to pay farmworkers due to the failure of a grower or packer to pay the contractor. Any disbursed funds subsequently recovered by the Labor Commissioner pursuant to Section 1693, or otherwise, shall be returned to the Farmworker Remedial Account.

(5) The person has taken a written examination that demonstrates an essential degree of knowledge of the current laws and administrative regulations concerning farm labor contractors as the Labor Commissioner deems necessary for the safety and protection of farmers, farmworkers, and the public. To successfully complete the examinations, the person must correctly answer at least 85 percent of the questions posed. The examination period shall not exceed four hours. The examination may only be taken a maximum of three times in a calendar year. The examinations shall include a demonstration of knowledge of the current laws and regulations regarding wages, hours, and working conditions, penalties, employee housing and transportation, collective bargaining, field sanitation, and safe work practices related to pesticide use, including all of the following subjects:

- (A) Field reentry regulations.
- (B) Worker pesticide safety training.
- (C) Employer responsibility for safe working conditions.
- (D) Symptoms and appropriate treatment of pesticide poisoning.

(6) The person has registered as a farm labor contractor pursuant to the federal Migrant and Seasonal Agricultural Worker Protection Act (29 U.S.C. 1801 et seq.), when registration is required pursuant to federal law.

(b) (1) The Labor Commissioner shall consult with the Director of Pesticide Regulation, the Department of the California Highway Patrol, the Department of Housing and Community Development, the Employment Development Department, the Department of Food and Agriculture, the Department of Motor Vehicles, and the Division of Occupational Safety and Health in preparing the examination required by paragraph (5) of subdivision (a) and the appropriate educational materials pertaining to the matters included in the examination, and may charge a fee of not more

than one hundred dollars (\$100) to cover the cost of administration of the examination.

(2) In addition, the person must enroll and participate in at least eight hours of relevant, educational classes each year. The classes shall be chosen from a list of approved classes prepared by the Labor Commissioner, in consultation with the persons and entities listed in paragraph (1) and county agricultural commissioners.

(c) The Labor Commissioner may renew a license without requiring the applicant for renewal to take the examination specified in paragraph (5) of subdivision (a) if the Labor Commissioner finds that the applicant meets all of the following criteria:

(1) Has satisfactorily completed the examination during the immediately preceding two years.

(2) Has not during the preceding year been found to be in violation of any applicable laws or regulations including, but not limited to, Division 7 (commencing with Section 12501) of the Food and Agricultural Code, Part 1 (commencing with Section 17000) of Division 13 of the Health and Safety Code, Division 2 (commencing with Section 200), Division 4 (commencing with Section 3200), and Division 5 (commencing with Section 6300) of this code, and Chapter 1 (commencing with Section 12500) of Division 6 of the Vehicle Code.

(3) Has, for each year since the license was obtained, enrolled and participated in at least eight hours of relevant, educational classes, chosen from a list of approved classes prepared by the Labor Commissioner.

(4) Has complied with all other requirements of this section.

SEC. 23. Section 1698 of the Labor Code is amended to read:

1698. All fines collected for violations of this chapter shall be paid into the Farmworker Remedial Account and shall be available, upon appropriation, for purposes of this chapter. Of the moneys collected for licenses issued pursuant to this chapter, one hundred fifty dollars (\$150) of each annual license fee shall be deposited in the Farmworker Remedial Account pursuant to paragraph (4) of subdivision (a) of Section 1684, three hundred fifty dollars (\$350) of each annual license fee shall be expended by the Labor Commissioner to fund the Farm Labor Contractor Enforcement Unit and the Farm Labor Contractor License Verification Unit, both within the department, and the remaining money shall be paid into the State Treasury and credited to the General Fund.

SEC. 24. Section 4603.2 of the Labor Code is amended to read:

4603.2. (a) Upon selecting a physician pursuant to Section 4600, the employee or physician shall forthwith notify the employer of the name and address of the physician. The physician shall submit a report to the employer within five working days from the date of the initial examination and shall submit periodic reports at intervals that may be prescribed by rules and regulations adopted by the administrative director.

(b) (1) Except as provided in subdivision (d) of Section 4603.4, or under contracts authorized under Section 5307.11, payment for medical treatment provided or authorized by the treating physician selected by the

employee or designated by the employer shall be made at reasonable maximum amounts in the official medical fee schedule, pursuant to Section 5307.1, in effect on the date of service. Payments shall be made by the employer within 45 working days after receipt of each separate, itemization of medical services provided, together with any required reports and any written authorization for services that may have been received by the physician. If the itemization or a portion thereof is contested, denied, or considered incomplete, the physician shall be notified, in writing, that the itemization is contested, denied, or considered incomplete, within 30 working days after receipt of the itemization by the employer. A notice that an itemization is incomplete shall state all additional information required to make a decision. Any properly documented list of services provided not paid at the rates then in effect under Section 5307.1 within the 45-working-day period shall be increased by 15 percent, together with interest at the same rate as judgments in civil actions retroactive to the date of receipt of the itemization, unless the employer does both of the following:

(A) Pays the provider at the rates in effect within the 45-working-day period.

(B) Advises, in the manner prescribed by the administrative director, the physician, or another provider of the items being contested, the reasons for contesting these items, and the remedies available to the physician or the other provider if he or she disagrees. In the case of an itemization that includes services provided by a hospital, outpatient surgery center, or independent diagnostic facility, advice that a request has been made for an audit of the itemization shall satisfy the requirements of this paragraph.

An employer's liability to a physician or another provider under this section for delayed payments shall not affect its liability to an employee under Section 5814 or any other provision of this division.

(2) Notwithstanding paragraph (1), if the employer is a governmental entity, payment for medical treatment provided or authorized by the treating physician selected by the employee or designated by the employer shall be made within 60 working days after receipt of each separate itemization, together with any required reports and any written authorization for services that may have been received by the physician.

(c) Any interest or increase in compensation paid by an insurer pursuant to this section shall be treated in the same manner as an increase in compensation under subdivision (d) of Section 4650 for the purposes of any classification of risks and premium rates, and any system of merit rating approved or issued pursuant to Article 2 (commencing with Section 11730) of Chapter 3 of Part 3 of Division 2 of the Insurance Code.

(d) (1) Whenever an employer or insurer employs an individual or contracts with an entity to conduct a review of an itemization submitted by a physician or medical provider, the employer or insurer shall make available to that individual or entity all documentation submitted together with that itemization by the physician or medical provider. When an individual or entity conducting a itemization review determines that

additional information or documentation is necessary to review the itemization, the individual or entity shall contact the claims administrator or insurer to obtain the necessary information or documentation that was submitted by the physician or medical provider pursuant to subdivision (b).

(2) An individual or entity reviewing an itemization of service submitted by a physician or medical provider shall not alter the procedure codes listed or recommend reduction of the amount of the payment unless the documentation submitted by the physician or medical provider with the itemization of service has been reviewed by that individual or entity. If the reviewer does not recommend payment for services as itemized by the physician or medical provider, the explanation of review shall provide the physician or medical provider with a specific explanation as to why the reviewer altered the procedure code or changed other parts of the itemization and the specific deficiency in the itemization or documentation that caused the reviewer to conclude that the altered procedure code or amount recommended for payment more accurately represents the service performed.

(3) The appeals board shall have jurisdiction over disputes arising out of this subdivision pursuant to Section 5304.

SEC. 25. Section 4903.05 of the Labor Code is repealed.

SEC. 26. Section 4903.6 is added to the Labor Code, to read:

4903.6. (a) Except as necessary to meet the requirements of Section 4903.5, no lien claim or application for adjudication shall be filed under subdivision (b) of Section 4903 until the expiration of one of the following:

(1) Sixty days after the date of acceptance or rejection of liability for the claim, or expiration of the time provided for investigation of liability pursuant to subdivision (b) of Section 5402, whichever date is earlier.

(2) The time provided for payment of medical treatment bills pursuant to Section 4603.2.

(3) The time provided for payment of medical-legal expenses pursuant to Section 4622.

(b) No declaration of readiness to proceed shall be filed for a lien under subdivision (b) of Section 4903 until the underlying case has been resolved or where the applicant chooses not to proceed with his or her case.

(c) The appeals board shall adopt reasonable regulations to ensure compliance with this section, and shall take any further steps as may be necessary to enforce the regulations, including, but not limited to, impositions of sanctions pursuant to Section 5813.

(d) The prohibitions of this section shall not apply to lien claims, applications for adjudication, or declarations of readiness to proceed filed by or on behalf of the employee, or to the filings by or on behalf of the employer.

SEC. 27. Section 290.3 of the Penal Code is amended to read:

290.3. (a) Every person who is convicted of any offense specified in subdivision (a) of Section 290 shall, in addition to any imprisonment or

fine, or both, imposed for violation of the underlying offense, be punished by a fine of two hundred dollars (\$200) upon the first conviction or a fine of three hundred dollars (\$300) upon the second and each subsequent conviction, unless the court determines that the defendant does not have the ability to pay the fine.

An amount equal to all fines collected pursuant to this subdivision during the preceding month upon conviction of, or upon the forfeiture of bail by, any person arrested for, or convicted of, committing an offense specified in subdivision (a) of Section 290, shall be transferred once a month by the county treasurer to the Controller for deposit in the General Fund. Moneys deposited in the General Fund pursuant to this subdivision shall be transferred by the Controller as provided in subdivision (b).

(b) (1) Out of the moneys deposited pursuant to subdivision (a) as a result of second and subsequent convictions of Section 290, one-third shall first be transferred to the Department of Justice Sexual Habitual Offender Fund, as provided in paragraph (2) of this subdivision. Out of the remainder of all moneys deposited pursuant to subdivision (a), 50 percent shall be transferred to the Department of Justice Sexual Habitual Offender Fund, as provided in paragraph (2), and 50 percent shall be transferred to the DNA Identification Fund, as established by Section 76104.6 of the Government Code.

(2) Those moneys so designated shall be transferred to the Department of Justice Sexual Habitual Offender Fund created pursuant to paragraph (5) of subdivision (b) of Section 11170 and, when appropriated by the Legislature, shall be used for the purposes of Chapter 9.5 (commencing with Section 13885) and Chapter 10 (commencing with Section 13890) of Title 6 of Part 4 for the purpose of monitoring, apprehending, and prosecuting sexual habitual offenders.

(c) Notwithstanding any other provision of this section, the Department of Corrections and Rehabilitation may collect a fine imposed pursuant to this section from a person convicted of a violation of any offense listed in subdivision (a) of Section 290, that results in incarceration in a facility under the jurisdiction of the Department of Corrections and Rehabilitation. All moneys collected by the Department of Corrections and Rehabilitation under this subdivision shall be transferred, once a month, to the Controller for deposit in the General Fund, as provided in subdivision (a), for transfer by the Controller, as provided in subdivision (b).

SEC. 28. Section 295 of the Penal Code is amended to read:

295. (a) This chapter shall be known and may be cited as the DNA and Forensic Identification Database and Data Bank Act of 1998, as amended.

(b) The people of the State of California set forth all of the following:

(1) Deoxyribonucleic acid (DNA) and forensic identification analysis is a useful law enforcement tool for identifying and prosecuting criminal offenders and exonerating the innocent.

(2) It is the intent of the people of the State of California, in order to further the purposes of this chapter, to require DNA and forensic identification data bank samples from all persons, including juveniles, for

the felony and misdemeanor offenses described in subdivision (a) of Section 296.

(3) It is necessary to enact this act defining and governing the state's DNA and forensic identification database and data bank in order to clarify existing law and to enable the state's DNA and Forensic Identification Database and Data Bank Program to become a more effective law enforcement tool.

(c) The purpose of the DNA and Forensic Identification Database and Data Bank Program is to assist federal, state, and local criminal justice and law enforcement agencies within and outside California in the expeditious and accurate detection and prosecution of individuals responsible for sex offenses and other crimes, the exclusion of suspects who are being investigated for these crimes, and the identification of missing and unidentified persons, particularly abducted children.

(d) Like the collection of fingerprints, the collection of DNA samples pursuant to this chapter is an administrative requirement to assist in the accurate identification of criminal offenders.

(e) Unless otherwise requested by the Department of Justice, collection of biological samples for DNA analysis from qualifying persons under this chapter is limited to collection of inner cheek cells of the mouth (buccal swab samples).

(f) The Department of Justice DNA Laboratory may obtain through federal, state, or local law enforcement agencies blood specimens from qualifying persons as defined in subdivision (a) of Section 296, and according to procedures set forth in Section 298, when it is determined in the discretion of the Department of Justice that such specimens are necessary in a particular case or would aid the department in obtaining an accurate forensic DNA profile for identification purposes.

(g) The Department of Justice, through its DNA Laboratory, shall be responsible for the management and administration of the state's DNA and Forensic Identification Database and Data Bank Program and for liaison with the Federal Bureau of Investigation (FBI) regarding the state's participation in a national or international DNA database and data bank program such as the FBI's Combined DNA Index System (CODIS) that allows the storage and exchange of DNA records submitted by state and local forensic DNA laboratories nationwide.

(h) The Department of Justice shall be responsible for implementing this chapter.

(1) The Department of Justice DNA Laboratory, and the Department of Corrections and Rehabilitation may adopt policies and enact regulations for the implementation of this chapter, as necessary, to give effect to the intent and purpose of this chapter, and to ensure that data bank blood specimens, buccal swab samples, and thumb and palm print impressions as required by this chapter are collected from qualifying persons in a timely manner, as soon as possible after arrest, conviction, or a plea or finding of guilty, no contest, or not guilty by reason of insanity, or upon any disposition rendered in the case of a juvenile who is adjudicated under

Section 602 of the Welfare and Institutions Code for commission of any of this chapter's enumerated qualifying offenses, including attempts, or when it is determined that a qualifying person has not given the required specimens, samples or print impressions. Before adopting any policy or regulation implementing this chapter, the Department of Corrections and Rehabilitation shall seek advice from and consult with the Department of Justice DNA Laboratory Director.

(2) Given the specificity of this chapter, and except as provided in subdivision (c) of Section 298.1, any administrative bulletins, notices, regulations, policies, procedures, or guidelines adopted by the Department of Justice and its DNA Laboratory, the Department of Corrections and Rehabilitation for the purpose of the implementing this chapter are exempt from the provisions of the Administrative Procedure Act, Chapter 3.5 (commencing with Section 11340), Chapter 4 (commencing with Section 11370), Chapter 4.5 (commencing with Section 11400), and Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

(3) The Department of Corrections and Rehabilitation shall submit copies of any of their policies and regulations with respect to this chapter to the Department of Justice DNA Laboratory Director, and quarterly shall submit to the director written reports updating the director as to the status of their compliance with this chapter.

(4) On or before April 1 in the year following adoption of the act that added this paragraph, and quarterly thereafter, the Department of Justice DNA Laboratory shall submit a quarterly report to be published electronically on a Department of Justice Web site and made available for public review. The quarterly report shall state the total number of samples received, the number of samples received from the Department of Corrections and Rehabilitation, the number of samples fully analyzed for inclusion in the CODIS database, and the number of profiles uploaded into the CODIS database for the reporting period. Each quarterly report shall state the total, annual, and quarterly number of qualifying profiles in the Department of Justice DNA Laboratory data bank both from persons and case evidence, and the number of hits and investigations aided, as reported to the National DNA Index System. The quarterly report shall also confirm the laboratory's accreditation status and participation in CODIS and shall include an accounting of the funds collected, expended, and disbursed pursuant to subdivision (k).

(5) On or before April 1 in the year following adoption of the act that added this paragraph, and quarterly thereafter, the Department of Corrections and Rehabilitation shall submit a quarterly report to be published electronically on a Department of Corrections and Rehabilitation Web site and made available for public review. The quarterly report shall state the total number of inmates housed in state correctional facilities, including a breakdown of those housed in state prisons, camps, community correctional facilities, and other facilities such as prisoner mother facilities. Each quarterly report shall also state the total,

annual, and quarterly number of inmates who have yet to provide specimens, samples and print impressions pursuant to this chapter and the number of specimens, samples and print impressions that have yet to be forwarded to the Department of Justice DNA Laboratory within 30 days of collection.

(i) (1) When the specimens, samples, and print impressions required by this chapter are collected at a county jail or other county facility, including a private community correctional facility, the county sheriff or chief administrative officer of the county jail or other facility shall be responsible for ensuring all of the following:

(A) The requisite specimens, samples, and print impressions are collected from qualifying persons immediately following arrest, conviction, or adjudication, or during the booking or intake or reception center process at that facility, or reasonably promptly thereafter.

(B) The requisite specimens, samples, and print impressions are collected as soon as administratively practicable after a qualifying person reports to the facility for the purpose of providing specimens, samples, and print impressions.

(C) The specimens, samples, and print impressions collected pursuant to this chapter are forwarded immediately to the Department of Justice, and in compliance with department policies.

(2) The specimens, samples, and print impressions required by this chapter shall be collected by a person using a collection kit approved by the Department of Justice and in accordance with the requirements and procedures set forth in subdivision (b) of Section 298.

(3) The counties shall be reimbursed for the costs of obtaining specimens, samples, and print impressions subject to the conditions and limitations set forth by the Department of Justice policies governing reimbursement for collecting specimens, samples, and print impressions pursuant to Section 76104.6 of the Government Code.

(j) The trial court may order that a portion of the costs assessed pursuant to Section 1203.1c, 1203.1e, or 1203.1m include a reasonable portion of the cost of obtaining specimens, samples, and print impressions in furtherance of this chapter and the funds collected pursuant to this subdivision shall be deposited in the DNA Identification Fund as created by Section 76104.6 of the Government Code.

(k) The Department of Justice DNA Laboratory shall be known as the Jan Bashinski DNA Laboratory.

SEC. 29. Section 42100 of the Public Resources Code is amended to read:

42100. For purposes of this chapter, the following definitions apply:

(a) “Agency” means the Business, Transportation and Housing Agency.

(b) “Air board” means the State Air Resources Board.

(c) “Applicant” means a small business that is a metal plating facility that produces hazardous waste and applies for financial assistance pursuant to this chapter to reduce the generation of hazardous waste.

(d) “Chrome plating” has the same meaning as “decorative chromium electroplating” and “chromic acid anodizing” as defined in the regulations specifying a hexavalent chromium toxic control measure for chrome plating adopted by the air board and contained in Section 93102 of Title 17 of the California Code of Regulations.

(e) “Department” means the Department of Toxic Substances Control.

(f) “Emission reduction” has the same meaning as “airborne toxic risk reduction measure,” as defined in subdivisions (a) and (b) of Section 44390 of the Health and Safety Code.

(g) “Financial company” is defined pursuant to Section 14010 of the Corporations Code.

(h) “Financial Development Corporation (FDC)” means a corporation formed under the California Small Business Financial Development Corporations Law (Ch. 1 (commencing with Sec. 14000) Pt. 5, Div. 3, Corp. C.).

(i) “Green business program” means a program coordinated by a local, state, or federal agency for the purposes of assisting and recognizing businesses that are in compliance with all environmental laws and regulations, and taking additional steps to conserve natural resources and prevent pollution.

(j) “Metal plating facility” means an establishment primarily engaged in all types of electroplating, plating, anodizing, coloring, and finishing of metals and formed products for the trade. Metal plating facility includes a chrome plating facility.

(k) “Model Shop Program” means the voluntary pollution prevention program developed by the Department of Toxic Substances Control with assistance from the Los Angeles City Bureau of Sanitation, Sanitation Districts of Los Angeles County, and the Metal Finishing Association of Southern California, to assist the metal plating industry in identifying possible sources of pollution and developing alternative business practices in order to run cleaner, safer shops.

(l) “National Metal Finishing Strategic Goal Program” means the voluntary program established through a partnership between the United States Environmental Protection Agency and the metal finishing industry that encourages companies to move beyond environmental compliance by offering participants incentives, resources, and means for removing regulatory and policy barriers as they work to achieve specific environmental goals.

(m) “Pollution prevention” means the same as source reduction, as defined by subdivision (e) of Section 25244.14 of the Health and Safety Code.

(n) “Sensitive receptor” means a school, general acute care hospital, long-term health care facility, and child day care facility. For purposes of this subdivision, “general acute care hospital” has the meaning provided by subdivision (a) of Section 1250 of the Health and Safety Code, “long-term health care facility” has the meaning provided by subdivision (a) of Section 1418 of the Health and Safety Code, and “child day care

facility” has the meaning provided by Section 1596.750 of the Health and Safety Code.

(o) “Water board” means the State Water Resources Control Board.

SEC. 30. Section 42101 of the Public Resources Code is amended to read:

42101. (a) The agency shall work with the department, the air board, and the water board to develop a loan guarantee program, through its existing relationship with the Financial Development Corporations (FDCs) located throughout the state, to assist metal plating facilities in purchasing high performance environmental control equipment or technologies that will enable that facility to meet new or exceed existing regulatory requirements, or both, and implement additional pollution prevention opportunities.

(b) In establishing the loan guarantee program pursuant to subdivision (a), the agency shall make every effort to integrate and leverage existing financing mechanisms for this new program, including the Treasurer’s California Pollution Control Financing Authority California Capital Access Program (CalCAP), and the California Infrastructure and Economic Development Bank’s (I-Bank) Revenue Bond program.

SEC. 31. Section 42101.1 of the Public Resources Code is amended to read:

42101.1. The agency shall only make loan guarantees available to applicants that meet all of the following eligibility requirements:

(a) The applicant is a small business, as defined in subdivision (d) of Section 14837 of the Government Code.

(b) The applicant owns or operates a metal plating facility.

(c) The applicant satisfies one of the following conditions:

(1) Has completed or is currently participating in the Model Shop Program for metal platers.

(2) Has completed or is currently participating in the National Metal Finishing Strategic Goals Program.

(3) Is participating in a green business program whose goals are consistent with the pollution prevention and natural resource conservation elements of the Model Shop Program.

(4) Is certified as a green business whose goals are consistent with the pollution prevention and natural resource conservation elements of the Model Shop Program.

(d) Funds are not obtainable, upon reasonable terms, from financial companies, without a loan guarantee.

(e) The applicant demonstrates that the facility meets new or exceeds existing regulatory requirements, or both, has no pending local, state, or federal enforcement or correction actions, and is participating in or has completed additional pollution prevention activities.

SEC. 32. Section 42104 of the Public Resources Code is amended to read:

42104. The department shall establish the Model Shop Program in northern California by replicating the existing Metal Plating Model Shop

Pilot Program, which is currently available only to southern California metal plating facilities. In selecting participants for inclusion in the Model Shop Program, the department shall specifically consider proximity of the facility to sensitive receptors and residences and coordinate with existing enforcement activities.

SEC. 33. Section 325.6 is added to the Unemployment Insurance Code, to read:

325.6. (a) It is the intent of the Legislature that state supported Veterans Employment Training services meet the same performance standards as those required by the federal Workforce Investment Act for services provided to veterans.

(b) Following any fiscal year in which state funds support the Veterans Employment Training services program, the Employment Development Department shall provide an annual report to the Legislature, on or before November 1, regarding the following performance measures:

(1) The number of veterans receiving individualized, case managed services.

(2) The number of veterans who receive individualized, case managed services entering employment.

(3) The retention rate for veterans who enter employment.

(4) The average earnings for veterans entering employment.

SEC. 34. Section 5066 of the Vehicle Code is amended to read:

5066. (a) The department, in conjunction with the California Highway Patrol, shall design and make available for issuance pursuant to this article the California memorial license plate. Notwithstanding Section 5060, the California memorial license plate may be issued in a combination of numbers or letters, or both, as requested by the applicant for the plates. A person described in Section 5101, upon payment of the additional fees set forth in subdivision (b), may apply for and be issued a set of California memorial license plates.

(b) In addition to the regular fees for an original registration or renewal of registration, the following additional fees shall be paid for the issuance, renewal, retention, or transfer of the California memorial license plates authorized pursuant to this section:

(1) For the original issuance of the plates, fifty dollars (\$50).

(2) For a renewal of registration of the plates or retention of the plates, if renewal is not required, forty dollars (\$40).

(3) For transfer of the plates to another vehicle, fifteen dollars (\$15).

(4) For each substitute replacement plate, thirty-five dollars (\$35).

(5) In addition, for the issuance of an environmental license plate, as defined in Section 5103, the additional fees required pursuant to Sections 5106 and 5108 shall be deposited proportionately in the funds described in subdivision (c).

(c) The department shall deposit the additional revenue derived from the issuance, renewal, transfer, and substitution of California memorial license plates as follows:

(1) Eighty-five percent in the Antiterrorism Fund, which is hereby created in the General Fund.

(A) Upon appropriation by the Legislature, one-half of the money in the fund shall be allocated by the Controller to the Office of Emergency Services to be used solely for antiterrorism activities. The office shall not use more than 5 percent of the money appropriated to it for administrative purposes.

(B) Upon appropriation by the Legislature in the annual Budget Act or in another statute, one-half of the money in the fund shall be used solely for antiterrorism activities.

(2) Fifteen percent in the California Memorial Scholarship Fund, which is hereby established in the General Fund. Money deposited in this fund shall be administered by the Scholarshare Investment Board, and shall be available, upon appropriation in the annual Budget Act or in another statute, for distribution or encumbrance by the board pursuant to Article 21.5 (commencing with Section 70010) of Chapter 2 of Part 42 of the Education Code.

(d) The department shall deduct its costs to administer, but not to develop, the California memorial license plate program. The department may utilize an amount of money, not to exceed fifty thousand dollars (\$50,000) annually, derived from the issuance, renewal, transfer, and substitution of California memorial license plates for the continued promotion of the California memorial license plate program of this section.

(e) For the purposes of this section, “antiterrorism activities” means activities related to the prevention, detection, and emergency response to terrorism that are undertaken by state and local law enforcement, fire protection, and public health agencies. The funds provided for these activities, to the extent that funds are available, shall be used exclusively for purposes directly related to fighting terrorism. Eligible activities include, but are not limited to, hiring support staff to perform administrative tasks, hiring and training additional law enforcement, fire protection, and public health personnel, response training for existing and additional law enforcement, fire protection, and public health personnel, and hazardous materials and other equipment expenditures.

(f) Beginning January 1, 2007, and each January 1 thereafter, the department shall determine the number of currently outstanding and valid California memorial license plates. If that number is less than 7,500 in any year, then the department shall no longer issue or replace those plates.

SEC. 35. Article 18.9 (commencing with Section 749.5) is added to Chapter 2 of Part 1 of Division 2 of the Welfare and Institutions Code, to read:

Article 18.9. Juvenile Justice Community Reentry Challenge Grant Program

749.5. This article shall be known and may be cited as the Juvenile Justice Community Reentry Challenge Grant Program.

749.6. It is the intent of the Legislature to support the systematic and cultural transformation of the Division of Juvenile Justice into a rehabilitative model that improves youthful offender outcomes and reduces recidivism. As a key component of meeting these goals, it is further the intent of the Legislature to support the development of local infrastructure that provides comprehensive reentry services for juvenile parolees. These services shall be complementary to, and consistent with, the long-term objective of providing a continuum of state and local responses to juvenile delinquency that enhance public safety and improve offender outcomes.

749.7. (a) The Juvenile Justice Community Reentry Challenge Grant Program shall be administered by the Division of Juvenile Justice, in consultation with the Corrections Standards Authority, for the purpose of improving the performance and cost-effectiveness of postcustodial reentry supervision of juvenile parolees, reducing the recidivism rates of juvenile offenders, and piloting innovative reentry programs consistent with the division's focus on a rehabilitative treatment model.

(b) This program shall award grants on a competitive basis to applicants that demonstrate a collaborative and comprehensive approach to the successful community reintegration of juvenile parolees, through the provision of wrap-around services that may include, but are not limited to, the following:

- (1) Transitional or step-down housing, including, but not limited to, group homes subject to Section 18987.62.
- (2) Occupational development and job placement.
- (3) Outpatient mental health services.
- (4) Substance abuse treatment services.
- (5) Education.
- (6) Life skills counseling.
- (7) Restitution and community service.
- (8) Case management.
- (9) Intermediate sanctions for technical violations of conditions of parole.

(c) To be eligible for consideration, applicants shall submit a program plan that includes, but is not limited to, the following:

- (1) The target population.
- (2) The type of housing and wrap-around services provided.
- (3) A parole and community reentry plan for each parolee.
- (4) Potential sanctions for a parolee's failure to observe the conditions of the program.
- (5) Coordination with local probation and other law enforcement agencies.

(6) Coordination with other service providers and community partners.

749.8. (a) The Division of Juvenile Justice, in consultation with the Corrections Standards Authority, shall award grants that provide funding for three years on a competitive basis to counties and nonprofit organizations.

(b) A minimum of 75 percent of the grant award shall be for providing program services to individuals on parole from the Division of Juvenile Justice. The remainder of the grant award may additionally be used for providing program services to youthful offenders under the jurisdiction of the county or local juvenile court who are transitioning from out-of-home placements back into the community.

(c) The division shall award grants in a manner that maximizes the development of meaningful and innovative local programs to provide comprehensive reentry services for juvenile parolees.

(d) For any grant award, the division shall work with the juvenile court and the probation department of the county or counties in the grant service area to identify state and local case supervision responsibilities that are appropriate for the effective operation and management of the reentry programs supported by the grant. These responsibilities shall be incorporated into a case supervision plan for the grant that shall describe the role of local courts and probation departments in facilitating individual reentry plans, in assigning or removing parolees from grant-funded programs, and in meeting evaluation criteria for the grant.

749.9. The Division of Juvenile Justice, in consultation with the Corrections Standards Authority, the Chief Probation Officers of California, and experts in the field of California juvenile justice programs, shall establish minimum standards, funding schedules, and procedures for awarding grants, which shall take into consideration, but not be limited to, all of the following:

(a) The size of the eligible population.

(b) A demonstrated ability to administer the program.

(c) A demonstrated ability to develop and provide a collaborative approach to improving parolee success rates that includes the participation of nonprofit and community partners.

(d) A demonstrated ability to provide comprehensive services to support improved parolee outcomes, including housing, training, and treatment.

(e) A demonstrated ability to provide effective oversight and management of youthful offenders or young adults who have been committed to a detention facility, and parolees that require reentry supervision and control.

(f) A demonstrated history of maximizing federal, state, local, and private funding sources.

749.95. (a) Each grant recipient shall be required to establish and track outcome measures, including, but not limited to:

(1) Annual recidivism rates, including technical parole violations and new offenses.

(2) The number and percent of participants successfully completing parole.

(3) The number and percent of participants engaged in part-time or full-time employment, enrolled in higher education or vocational training, receiving drug and substance abuse treatment, or receiving mental health treatment.

(4) The number and percent of participants that obtain stable housing, including the type of housing.

(b) The Division of Juvenile Justice, in consultation with the Corrections Standards Authority, the Chief Probation Officers of California, and experts in the field of California juvenile justice programs, shall create an evaluation design for the Juvenile Justice Community Reentry Challenge Grant Program that will assess the effectiveness of the program. The division shall develop an interim report to be submitted to the Legislature on or before March 1, 2009, and a final analysis of the grant program in a report to be submitted to the Legislature on or before March 1, 2011.

SEC. 36. By February 1, 2007, the Department of Veterans Affairs shall submit a report to the fiscal committees of both houses of the Legislature regarding possible strategies for increasing the number of California veterans receiving federal benefits. The department shall consult with county veterans' service officers, veterans' service organizations, the Department of Finance, the Legislative Analyst's Office, and legislative staff to develop the report required by this section. The department shall consider the impact of demographics, county of residence, and service records on the attainment of these benefits. The report shall also include an analysis of best practices from other states.

SEC. 37. (a) It is the intent of the Legislature to provide a means to correct errors made in calculating the contributions by the state to the Teachers' Retirement Fund and the Supplemental Benefit Maintenance Account in the Teachers' Retirement Fund. The actuary of the Teachers' Retirement Board has identified errors during fiscal years 2002–03, 2003–04, 2004–05, and 2005–06.

(b) Notwithstanding Sections 22954 and 22955 of the Education Code and any other provisions of law to the contrary, the following accounting adjustments shall be made:

(1) Notwithstanding the creditable compensation calculation of October 1, 2005, by the Teachers' Retirement Board for the 2006–07 fiscal year, the continuous appropriation described in subdivision (b) of Section 22954 of the Education Code for the 2006–07 fiscal year shall be based on the creditable compensation calculation of March 2006 by the Teachers' Retirement Board. The appropriation based on that March 2006 calculation is less than the appropriation based on the October 1, 2005, calculation, in the amount of one million seven hundred six thousand six hundred eighteen dollars (\$1,706,618).

(2) For fiscal year 2004–05, the amount appropriated as described in subdivision (b) of Section 22954 of the Education Code exceeds the

amount required to be paid by the state in the amount of one million ninety-two thousand eight hundred sixty-five dollars (\$1,092,865). The amount described in this paragraph shall be applied as a credit to the state for the appropriation described in paragraph (1) of this subdivision.

(3) Notwithstanding the creditable compensation calculation of October 1, 2005, by the Teachers' Retirement Board for the 2006–07 fiscal year, the continuous appropriation described in subdivision (a) of Section 22955 of the Education Code for the 2006–07 fiscal year shall be based on the creditable compensation calculation of March 2006 by the Teachers' Retirement Board. The appropriation based on that March 2006 calculation is less than the appropriation based on the October 1, 2005, calculation, in the amount of one million three hundred seventy-seven thousand eight hundred seventy dollars (\$1,377,870).

(4) For fiscal year 2004–05, the amount appropriated as described in subdivision (a) of Section 22955 of the Education Code exceeds the amount required to be paid by the state in the amount of eight hundred eighty-one thousand seven hundred twenty-three dollars (\$881,723). The amount described in this paragraph shall be applied as a credit to the state for the appropriation described in paragraph (3) of this subdivision.

(5) For fiscal years 2002–03, 2003–04, 2004–05, and 2005–06, the amount appropriated as described in subdivision (b) of Section 22955 of the Education Code exceeds the amount required to be paid by the state in the amount of one hundred twenty-two million six hundred thousand two hundred thirteen dollars (\$122,600,213). The amount described in this paragraph shall be applied as a credit to the state for the appropriation described in subdivision (b) of Section 22955 of the Education Code for the 2006–07 fiscal year.

SEC. 38. The accounting adjustments described in Section 37 of this act shall require all of the following:

(a) On July 1, 2006, for the 2006–07 fiscal year and in addition to the amount that would otherwise be appropriated for the Supplemental Benefit Maintenance Account as described in subdivision (b) of Section 22954 of the Education Code, there shall be an appropriation from the General Fund to the Controller for transfer to the Supplemental Benefit Maintenance Account in the Teachers' Retirement Fund in the amount of six hundred thirteen thousand seven hundred fifty-three dollars (\$613,753).

(b) On July 1, 2006, for the 2006–07 fiscal year and as described in this act, the appropriation described in subdivisions (a) and (b) of Section 22955 of the Education Code from the General Fund to the Controller for transfer to the Teachers' Retirement Fund shall be reduced by one hundred twenty-two million one hundred four thousand sixty-six dollars (\$122,104,066).

SEC. 39. The Legislature finds and declares that the addition of Section 84602.1 to the Government Code by Section 19 of this act furthers the purpose of the Political Reform Act of 1974 within the meaning of subdivision (a) of Section 81012 of the Government Code.

SEC. 40. (a) In enacting Section 21 of this act, the Legislature finds and declares all of the following:

(1) The Housing and Emergency Shelter Trust Fund Act of 2002 provided fifteen million dollars (\$15,000,000) through the voter approval of Proposition 46 at the November 5, 2002, statewide general election for the purpose of funding student housing through the Multifamily Housing Program.

(2) Pursuant to that act, any funds not used for student housing within 24 months of availability are to be awarded pursuant to the Downtown Rebound Program for loans to project sponsors for the adaptive reuse of vacant or underused commercial or industrial structures into rental housing located within an elementary school attendance area where 50 percent or more of the pupils are eligible for free meals under the federal school lunch program to be occupied by households having an income not exceeding 150 percent of area median income, pursuant to paragraph (1) of subdivision (c) of Section 50898.2.

(3) As of November 7, 2005, student housing funds remained after 24 months of availability. However, demand for funds under the Adaptive Reuse Program has proven to be lower than originally anticipated. Therefore, there is a likelihood that any unused student funds made available to the Adaptive Reuse Program may remain unused for an extended period of time.

(4) In approving the Housing and Emergency Shelter Trust Fund Act of 2002, the voters expressly reserved to the Legislature the authority to make program revisions where necessary for the effectiveness or efficiency in meeting the purposes of the various programs.

(b) Therefore, the Legislature determines that a more efficient and effective use of unused student housing funds would be to make these funds available to transit-oriented Downtown Rebound Program rental housing projects as described in paragraph (3) of subdivision (a) of Section 50898.1 for which there is a higher demand for funds.

SEC. 41. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to make the necessary changes to implement the Budget Act of 2006 at the earliest possible time, it is necessary that this act take effect immediately.